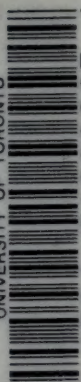


UNIVERSITY OF TORONTO



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ROYAL COLONIAL INSTITUTE
MONOGRAPHS

(I.)



IMPERIAL DEFENCE
AND
TRADE

BY

FREDERICK A. KIRKPATRICK

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ROYAL COLONIAL INSTITUTE MONOGRAPHS

IMPERIAL DEFENCE AND TRADE

“The interaction, if any, between the economic interests of a State and its foreign relations, with special reference to the question whether, or how far, the self-governing States of the British Empire (with or without a more centralised system of government than it now has) could co-operate permanently for the purpose of defence without co-operating for the purpose also of trade.”

BY

FREDERICK A. KIRKPATRICK

(First Gold Medallist of the R.C.I.)

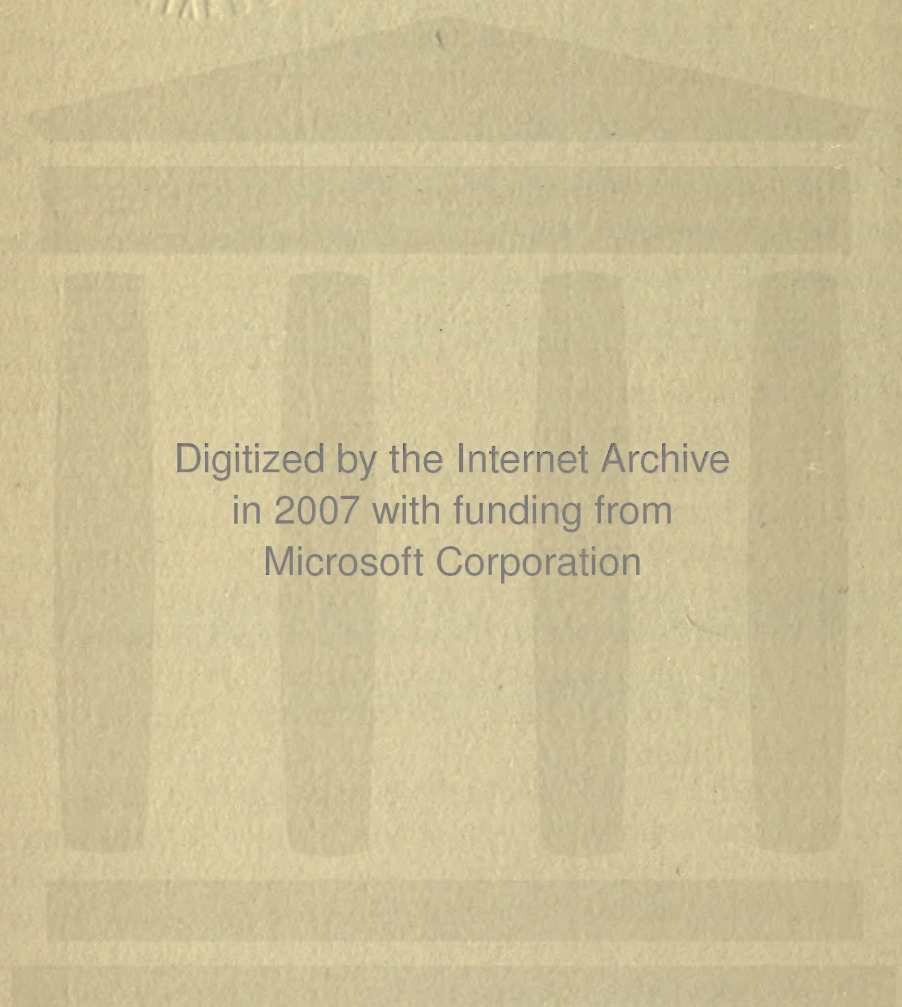
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NORTHUMBERLAND AVENUE, LONDON, W.C.

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1914
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INTRODUCTORY NOTE.

BY THE CHAIRMAN OF THE COUNCIL.

The accompanying monograph being the first of a special series, the Council have desired me to insert this prefatory note of explanation. A feeling had grown up that we were not doing as much as we might to elucidate problems connected with the supreme object of the Institute's existence. That object is, in the words of our Royal Charter, "the preservation of a permanent union between the Mother Country and the various parts of the British Empire". Since 1882, when the present Charter was granted, the belief has become fairly general that in order to preserve a "permanent union" some changes will have to be made in the present system of Empire governance, and in recent years there has been a marked revival of practical interest in this problem. It was represented to us that although for a long time past scattered enthusiasts have been endeavouring to investigate the conditions of closer union, and despite in later years the extremely able work of those who have conducted the Round Table, little had yet been done in the way of detached, unbiassed, and scientific treatment of this problem in certain important aspects which seemed to admit of being treated by that method to the advantage of the cause.

Having agreed that the need existed and ought to be met, we had next to choose between two alternative plans. Either we might institute an open competition, offering a substantial reward of honourable recognition and money* as an inducement to competent persons to undertake what must always be an exceedingly laborious form of work. Or, we might seek out and pay competent persons, so far as our financial resources might permit, to work on specified lines under direct supervision. The former plan would have the merit, we thought, of diffusing a wider interest in the study of these questions, and of perhaps bringing to light individual talent which might otherwise have remained unrecognised or been absorbed in work of a different kind. But in favour of the other plan, if our finances would permit

* The Gold Medal is accompanied with a grant of 100 guineas and honorary life fellowship of the Institute.

it, there was the important consideration that the results would be certain at least. If a medal competition failed to elicit any work of the required standard, the effort would have been largely wasted. There was the further point that access to all the best sources of official and other information might be secured by our influence to students working under our own authority in London; whereas, in respect of libraries and other opportunities, students working privately at a distance from London would inevitably be handicapped. To give one illustration: the theme of the present monograph might have been further elucidated in a most useful manner by a careful analysis of all the manifold matters which have actually engaged the attention of the Foreign Office over a recent term of years, with a view to considering how far any of them had involved interests common to the United Kingdom and the Dominions. But the task of collating at first hand material of that kind would obviously have been impracticable for any student living far from London.

We are glad, therefore, to feel that the risk which we consciously took in choosing the former plan rather than the latter has been justified by the first-fruit of the experiment. Eleven monographs were sent in, comprising 7 from the United Kingdom (5 from London and neighbourhood), 2 from Australia, and 1 each from Canada and South Africa. Sir Charles Lucas and Sir Harry Wilson, who are members of the Council, having kindly undertaken a preliminary examination of the monographs, deemed that four of them were deserving of further consideration by Lord Milner, who, though exceptionally preoccupied at the time, had kindly consented to make the award. In the result the three adjudicators concurred in assigning the first place to this monograph, and expressed the opinion that it was up to the high standard which we desired to establish for the Gold Medal—a standard not so much of literary style as of philosophical method. Accordingly Mr. Frederick A. Kirkpatrick, of Celbridge in Ireland, becomes the first Gold Medallist of the Royal Colonial Institute. It may be of interest to mention that the monograph which ranked second came from Melbourne, while the third and fourth were from the London area. The fourth, it may be added, was sent in by a lady, a New Zealander by birth.

The particular subject was selected on account of the exceptional prominence, during recent years, of certain proposals for the closer commercial and defensive union of the Empire, some of which had

INTRODUCTORY NOTE

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given rise to political controversy of an acute order, highly prejudicial to their chance of receiving the unbiassed consideration which the Institute would desire to secure for any policy professedly designed to further the supreme object of its existence. In a memorandum accompanying our announcement of the Theme, which appeared in the Institute's monthly journal, UNITED EMPIRE (March, 1913), we drew attention to certain features of the constitutional proposal put forward by the Prime Minister of New Zealand at the Imperial Conference of 1911, and of the speech made by the Prime Minister of Canada on December 5th, 1912 (introducing the Naval Aid Bill), both of which had attracted much attention at the time and were of a kind to suggest the need of examining certain implied assumptions. Our endeavour to identify and isolate the ultimate principle at issue led us finally to frame the Theme in the form in which it appears on the titlepage. Our public announcement of the purpose and conditions of the competition included an emphatic notice that the work of candidates would be judged "by the scientific value of the method of inquiry adopted rather than by the political tendency of the conclusions reached". It was also notified that account would be taken of the potential value of any accompanying appendices of information to future students of the same subject; the Council reserving power to publish the whole or any part of the work of any of the competitors.

(Signed) J. BEVAN EDWARDS,

Chairman of Council.

Royal Colonial Institute,

July, 1914.

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INTRODUCTION.

ANALYSIS OF THE THEME.

For the sake of clear definition. this theme may be analysed into four questions :—

1. "If any . . ." Do the economic interests of a State and its foreign relations interact upon one another ?

This question is briefly answered on pages 8-10.

The answer is *Yes*.

2. "The interaction between . . ." In what way do economic interests and foreign relations affect one another, with special reference to Questions 3 and 4 ?

This question is far too large for separate treatment. But it is partly involved in the discussion of Question 3, and thus pervades the whole essay incidentally.

3. "Whether . . ." Is permanent defensive co-operation of the self-governing States possible without commercial co-operation ?

This is the main theme of the essay.

4. "How far . . . ?" What degree of permanent defensive co-operation is possible without commercial co-operation ?

Obviously the treatment of this question depends on the answer to Question 3.

The thesis may seem also to involve the converse to Question 4, namely the question :—

What degree or extent of commercial co-operation is involved in permanent defensive co-operation ?

But this question is not distinctly asked, although its treatment is perhaps suggested, or rather permitted, by the opening words of the thesis—"The Interaction. . . ." The main question concerns, first, the possibility or impossibility of purely defensive co-operation, and, secondly, the degree of purely defensive co-operation which may be possible.

Thus the question is not solely or even primarily an economic question. It is true that there is an economic question now before the people of the United Kingdom, the question of their future fiscal policy as affecting the welfare of the people of these islands. But this economic question differs widely from the problem set in this thesis, as is shown in the Appendix, p. 89.

The question here stated is rather a political question in the widest and most comprehensive sense of the word "political"; it is a question concerning the relations of these states with one another and their attitude towards the rest of the world.

The bracketed words, "with or without a more centralised system of Government," suggest a yet wider question, the comprehensive problem of actual or possible forms and methods of political co-operation between the British self-governing States. It is quite impossible to dissociate the immediate subject of the thesis—commercial co-operation—from this comprehensive topic of combined administrative action. For the problem of commercial co-operation is a part of the problem of defensive co-operation; and the problem of defensive co-operation is a part of the general problem of political combination. Thus, in discussing the question of commercial co-operation, it is necessary to define clearly the existing links, and the methods of common action. And any definition of these links and methods leads inevitably to an examination of their significance, their tendency, and their actual or probable development.

This close inter-connexion of the problem of political and commercial co-operation applies also to other historical examples of Union. Thus in Part I., which deals with past historical examples, the general method of union is discussed in each case, as well as the special problem of commercial co-operation.

On the other hand, it is clearly not the business of the essayist to frame a Constitution for the British Empire. He must confine himself to the actual working and probable development of institutions.

DEFENSIVE NEEDS.

It is assumed throughout, that co-operation for purposes of defence is desirable, since this is evidently a postulate underlying the whole thesis.

PERMANENCE.

In adducing historical examples of permanent defensive union, some definition of the word "permanent" is necessary. The word "permanent" clearly applies to the French Monarchy which fell in 1792, to the Venetian oligarchy which collapsed in 1797, to the Holy Roman Empire which was dissolved in 1806. The word does not mean "everlasting": it means "enduring throughout" or "enduring to the end." Thus the word "permanent" is applicable to any political arrangement which lasts until some fundamental change of conditions removes the basis of its being. It is applicable to any institution which lasts throughout an era, or which is only destroyed by some great catastrophe or some epoch-making change. Thus the Achæan League may be fairly described as permanent, although it was finally dissolved by Roman conquest: so also the Lycian League, which was undone by the spread of Imperial uniformity: so also the German Hansa, which was broken up by fundamental changes in the political life of Germany and in the conditions of trade throughout the world.

FEDERATION.

In this essay the words "Federation" and "Federal" are occasionally used—chiefly in quotations—as a matter of convenience. Purists in political nomenclature may criticise this use. But it seems unnecessary to define these words, to examine their propriety, or to defend their use. The fact is that union may be in part Federal, in part non-Federal. Thus the United Kingdom, although essentially a Unitary State at the present time, is a Federation in Judicial matters, since each of the Three Kingdoms has a separate Bar, Judiciary, and Appeal Court, also in some degree a separate system of law. For the three kingdoms there is a Supreme Court consisting of Judges from all the three benches.

METHOD OF ENQUIRY.

Since emphasis is laid on the scientific value of the method of enquiry, it is well to indicate the method which is here designed.

The use of the word "science" in regard to history is a recent one. Seeley, in his *Introduction to Political Science*, mentioned that the subject had been hitherto called Political Philosophy in his University. Freeman wrote in 1863, "To make a general political inference from a single example is not a very philosophical way of reasoning". Thus what is now called the "scientific" method is apparently what used to be called the "philosophical" method, a word more comprehensive but less pretentious with regard to exactitude of conclusions and dogmatic adoption of results. Philosophy aims at throwing the light of accumulated past experience upon present problems.

But the term "science", as it is commonly used by students of physical phenomena, does not exactly fit history. Thus Seeley's comparison of history with astronomy is misleading. History cannot do anything analogous to the discovery of an invisible planet by mathematical calculation or to the foretelling of a comet's appearance. The historian has to deal, in great part, not with unchanging laws of nature, but with the effects of human volition, with results produced through untraceable motives and caprices. The historian's calculations may be upset by the appearance of a single man of genius or by the occurrence of a single bad harvest. Even the biological metaphors commonly used by historians must be regarded merely as metaphors. For a state, at any rate when it has passed the tribal stage, is not an organic creature like a plant, owing its growth and development to the uniform operation of silently working natural laws. Thus de Tocqueville plainly avows that from the study of democracy in America lessons may be drawn which are applicable to America, but are not applicable to France; and that, owing to the peculiar character of the French people, French examples are not exactly applicable in other countries.

It is true that certain broad generalisations seem to be obtainable from the consideration of large periods of history, and these seem to indicate the operation of natural laws. Thus the prevalence of municipal vigour throughout Western Europe in the later Middle Ages seems to be a kind of organic development; so also the growth of nationalities from the beginning of the sixteenth century. But even in such cases any scientific conclusion is doubtful owing to the numerous varieties and exceptions in such development. Language which is applicable to the Medieval Republics of Italy is not applicable to the German Hansa or to the French Communes or to the English

Boroughs. And with regard to the national development of the sixteenth century, its vagaries, exceptions, and interruptions, form half the subject-matter of modern history. Moreover, although certain broad influences, acting over wide areas in the same age, can be observed, and although these may, in part at least, be attributed to natural laws, yet the extent and exactitude of this attribution are very doubtful, seeing that the foundation of modern Europe rests largely upon Roman occupation and Roman ideas. Thus it is impossible to say how far our political civilisation is the gift of Rome and how far it is a natural growth—unless we are to conclude that these two things are the same. At any rate Mommsen has shown that the course of European history has been in great part directed by Cæsar's conquest of Gaul: a conquest which was a work of policy, inspired partly by personal ambition, and carried out by individual genius through a careful combination of force and diplomacy.

Yet the universal use of biological language by historians and statesmen must have some foundation. Its justification lies in the fact that, as a rule, the most potent factor in national growth is the sense of kinship. And in a State whose territory roughly corresponds to this sense of kinship, so as to be inhabited by a sort of enlarged family or tribe, a natural evolution may be expected similar in some degree to physical growth. Institutions, or at least habits and the use of institutions, grow up, and come to the people subconsciously, however much these things may be diverted and checked by the appearance of a Cæsar or a Napoleon.

But when one comes to consider the union of autonomous States, then physical comparisons are apt to break down. A stream of tendency does not suffice to bring about such leagues or unions. They do not come imperceptibly, like the growth of the British Constitution. They are striven after, constructed, and built up by deliberate will and conscious effort.

But the difficulty of finding exactitude in results does not affect the use of the scientific or philosophical method. The enquirer must begin by shedding all prejudices and partisan influences. He must interrogate the facts of history. The economists now commend the "historical" method*, apparently using the term "historical" in the same sense in which historians use the word "scientific." Thus

* *E.g.*, Professor Nicholson in the *Cambridge Modern History*, Vol. X.

6 IMPERIAL DEFENCE AND TRADE.

between economists and historians the definition moves in a circle. This does not mean that the circle is a vicious one. It may merely mean that our vocabulary is defective or confused. In short, the "historical" method and the "scientific" method mean the same thing. The enquirer must accumulate "a large supply of facts carefully observed and exactly registered,"* before he proceeds to indicate tendencies or to seek conclusions. Accordingly the method adopted in this essay is first (in Part I) to examine historical examples of defensive union between States and then (in Part II) to consider the particular conditions of the present problem in a connected and co-ordinate fashion and to attempt a conclusion. Then follows a brief summary of the work which is actually being done in the direction indicated in the thesis.

But it must first be distinctly avowed that there are no close parallels to the conditions now prevailing in the British Empire. The States of the British Empire differ from all previous examples of States permanently uniting for common action. They differ in the mode of their origin and development, in their relations to one another and to the parent State; and, above all, they differ in their geographical situation with regard to one another and to the territories of foreign States.

The novel character of the problem appears in the fact that there is no adequate vocabulary applicable to present conditions. The Dominions call themselves nations and constantly talk of their national life and development: but they have not the external status of nations. And the term "colony," which still accurately describes them, does not distinguish between them and such various dependencies as the Falkland Islands, Ceylon, and Barbados. Again, there is no term which describes the policy of Great Britain towards the Dominions. "Colonial Policy" is inadequate. "Imperial Policy" may convey quite a different notion. The inter-State policy for which we want a word is not domestic policy nor is it foreign policy. It is something between the two and it overlaps both.

The problem is novel. There are no complete analogies. But our business is to examine every past example of defensive union between States, to investigate in each case the causes of failure or success, and to consider whether there have been any common factors

* Seeley in *Introduction to Political Science*.

in the conditions which have contributed to success in past instances. The arrangement adopted—(1) history, (2) present tendencies, (3) actual conditions—involves some repetition, or rather the recurrence of the same topics viewed in different aspects. Such recurrence or apparent repetition is inseparable from the scientific method, which differs from the literary method of artistic grouping of materials. The teacher of science refers to the same example or the same experiment again and again. The more familiar it is, the more valuable it is in use. In fact the essence of the scientific method is the iteration of the same topic from every point of view, however tedious such iteration may be.

FISCAL AND COMMERCIAL CO-OPERATION.

One form of commercial co-operation is fiscal co-operation, when States or provinces either favour one another in their customs arrangements or else abolish entirely the custom-houses between them. This latter course has usually been taken in permanent historical unions of States. When this is done—that is to say, when a group of States destroys its inter-State custom-houses and forms a free trade area like Germany or Switzerland or the United States—then co-operation advances to the point of amalgamation for fiscal purposes. For this particular purpose—the treatment of commerce by customs dues—the States do more than co-operate: they unite, as when two banks unite to form a single bank. Thus co-operation disappears or drops out of sight from its very completeness. Obviously, therefore, such instances of complete fiscal amalgamation fall within the present subject, since they are cases of commercial co-operation carried to its utmost limit. The relevancy of such cases is evident from the fact that there is often an intermediate step, when fiscal amalgamation is theoretically complete, but nevertheless some province continues to form a distinct economic area which may still be said to co-operate with its neighbours rather than to be completely united with them in fiscal and commercial matters. Such were for a time the relations of Western Australia with the rest of the Commonwealth; such are the present relations of British Columbia and of Prince Edward Island with the rest of Canada*, and of Ireland with Great Britain.

* Colonial Office List, 1914, p. 121.

PRELIMINARY CHAPTER.

THE INTERACTION BETWEEN THE ECONOMIC INTERESTS OF A STATE AND ITS FOREIGN RELATIONS.

[*Note.*—To the present writer it seems unnecessary to prove the fact that the economic interests of a State and its foreign relations interact upon one another. This truth might almost be accepted as an axiom, since it pervades all national history and is accepted by all economists of every school. Indeed the supporters of both the doctrines indicated in the present thesis base their arguments partly on this fact and on their interpretation of it.

Yet, since the question is suggested in the thesis, it is incumbent upon the writer to answer the question, and in its proper place, at the beginning. But, for the sake of simplicity, to avoid cumbering the main argument, the question is here treated apart in a preliminary chapter, as an introductory axiom rather than as part of the enquiry. Moreover, since the question is answered by the whole of history, obviously it can only be treated here in the most sketchy and rapid fashion. Hence the slight and merely illustrative character of this chapter.]

Wars are the crises of Foreign Policy and treaties are its epochs, that is to say its points of pause and of clear self-avowal. Thus the close connexion between foreign relations and economic interests may be most clearly grasped by glancing at some of the wars and some of the treaties which form landmarks in the Foreign Policy of England and of Great Britain since the close of the wars of the Roses. That event is a convenient starting-point, since it marks the beginning of the two movements which most concern the present enquiry, first the rise of nationality and of national consciousness, secondly the movement of colonisation or the settlement of Europeans in newly-discovered countries.

A central motive of Henry VII's policy was the support and encouragement of British trade with the Netherlands. This object was furthered by alliance with Spain, and it took shape in two great commercial treaties. Again, perhaps the most important event of Henry VII's reign was the voyage of Cabot, despatched by the King in search of a north-west passage, by which trade might pass to the far East. This expedition, which "found the new isle" is the prologue to the long story of British colonisation, of which the motive was in great part commercial. During the following two reigns this motive, though constantly present, is not so obviously prominent. But under Mary and Elizabeth commercial and economic interests again predominate: for British relations with Spain during Elizabeth's reign were swayed chiefly by two great economic influences, first the position of the southern and south-eastern English ports on the sea-route between Spain and the Netherland dependencies of Spain, secondly the commanding commercial position of Spain as mistress of the West Indies and of Tropical America. Under the first two Stuarts the mismanagement of foreign affairs diminishes the value of the lessons to be drawn thence. But the close of the Civil Wars introduces a long commercial struggle with Holland which was only closed at the Peace of Breda in 1667, and also a commercial struggle with Spain, which reached a temporary and indecisive conclusion at the Treaty of Madrid in 1670. The commercial motives of the "Second Hundred Years War" (1688-1815) have become a commonplace of history. They are emphasised by a succession of treaties:—The secret Treaty of commerce with "Charles III of Spain" in 1707, the Asiento Treaty of 1713-14; the Treaty of 1748 which closed the trade war of Jenkins' Ear; the Peace of Paris, which realised a part of Chatham's vast design of commercial and colonial predominance for Great Britain. In the Revolutionary and Napoleonic Wars, the commercial motives which underlay Pitt's foreign policy, although obscured by the overwhelming needs of national defence, were nevertheless always at work. The spirit which dictated the commercial treaty with France in 1786 led Pitt to cultivate French amity during the earlier stages of the Revolution: and the immediate occasion which precipitated the Anglo-French war was the aggression of the French Republic upon the Low Countries, a movement which was felt to be a menace to the commercial and economic position of Britain. Napoleon called his enemy a nation

of shopkeepers and attempted to fight them by means of commercial protocols, Berlin and Milan Decrees, which were countered by British Orders in Council. The Peace of 1814-15 left Great Britain in possession of valuable trading-ports in three continents.

The Foreign Policy of Castlereagh and of Canning, and the attitude of Great Britain towards the European Congresses was largely guided by commercial interests in the Spanish-American Republics. The economic element in more recent foreign policy hardly requires elucidation. The names alone of Egypt and of China suggest examples of armed force and diplomatic pressure exercised in order to secure commercial or economic advantages.

The converse truth, that foreign policy affects economic conditions, requires no proof. Every war, every peace, every commercial treaty, every item in the customs tariff either of the nation concerned or of its neighbour States affects the economic condition of that country. Chatham made commerce flourish by war, as his predecessor Walpole had made commerce flourish by peace and diplomacy. The tariff of President McKinley affected Great Britain far more than the diplomatic menaces of President Cleveland.

Finally it should be clearly grasped that every item in the customs tariff of every country is a problem not only of domestic policy and administration, but also of foreign policy. This truth is obvious in the case of countries adopting a protective tariff. But it also applies, though in a lesser degree, to countries where the tariff is only designed for purposes of revenue. Thus, for example, a recent reduction in the duty on the import of currants into Great Britain was welcomed in Greece as an act of international courtesy. The British duty on sugar is a matter which affects half the civilised world. One example may be added: it is believed in the River Plate that the hygienic restrictions imposed in England on the import of Argentine cattle are in fact imposed as a measure of commercial protection for the British farmer, and that the alleged prophylactic necessity is merely meant to cover a policy intended to have the same effect as a protective tariff. This is an effective illustration of the way in which measures dictated by purely domestic and internal needs may affect the foreign relations of the State and may actually have to be viewed as being also measures of foreign policy.

PART I.

HISTORICAL EXAMPLES.

“Political science without History has no root.”

—*Seeley.*

“Remember the spirit of the age, but do not forget the ages.”

“Quod semper, quod ubique, quod ab omnibus.”

CHAPTER I.

THE LEAGUES OF ACHAEA AND OF LYCIA.

The vitality of Thucydides' History and of Aristotle's *Politics* indicates that the essential problems of politics do not profoundly differ in city-States and in large territorial States. This doctrine is held by Freeman, whose *History of Federal Government in Greece and Italy* is an admirable introduction to the whole topic of defensive union between autonomous States. His book demonstrates the great value and the possible stability of such unions, and also shows that union can only be achieved by deliberate statesmanship and persistent personal effort.

The success first of the Achaean League and afterwards of the Lycian League was due to observation and experience drawn from previous examples, that is to say to the scientific or historical method applied by statesmen. The importance of State-craft and guidance appears in the fact that the constitution of the Achaean League, during its most vigorous age, approximated in actual working to a monarchy, in which the leader ruled, without ostensibly reigning.

THE ACHAEAN LEAGUE.

About the middle of the third century B.C. the Achaean city-republics combined to form an Achaean national Union. Their object was strength and defence. This object was in general attained: the League endured for more than a century and then fell before the overwhelming power of Rome.

With regard to the immediate topic, commercial co-operation accompanying defensive co-operation, there is no direct information. Geographical conditions in the Peloponnese permitted the formation of a real Federal State, with a central Congress, Executive, and military system. For the League spread over a continuous

territory so that a man might walk from any city to any other without crossing alien soil. Yet the Federal Exchequer was supplied simply by assessed contributions from the cities, each city being free to raise its revenue and make its contribution in its own way. The sentiment of city-autonomy was so strong that no other arrangement would have occurred to the founders of the Union. But the absence of a Federal fiscal scheme was a serious defect: for the refusal of any city to pay its quota was an easy means of shaking or shattering the Union.

Yet the national character of the Union, in which every citizen of every city was theoretically a member of the Government, must have implied in practice a considerable degree of commercial co-operation. "Every citizen of every city in the League . . . had a right to attend, speak and vote" in the Federal assembly, which met twice a year for a three days' session. This right implies a facility of organised social and political intercourse which must have meant also much freedom of business intercourse, even if the conveyance or purchase of baggage and provisions be alone taken into account.

LYCIAN LEAGUE.

For at least 250 years (200 B.C.—50 A.D.) the Lycian League bound twenty-three cities into a Lycian nation, having a central Assembly, Executive, Judiciary, and Exchequer. In general this Lycian League resembled the Achaean League, but improved and developed in form. The brief notice which contains all our knowledge of its constitution indicates a closer and more stable fiscal system than that of Achaea. The words, "The cities pay taxes and take their share of other public burdens" seem to imply contributions in labour or in kind, in addition to mere money-payments, by the cities. This would imply a closer commercial co-operation and a more active personal intercourse on the part of the citizens of the various members.

CHAPTER II.

THE THREE TEUTONIC UNIONS OF PROVINCES
AND CITIES.

The comparative method in history is confused and inconclusive owing to difference of conditions. But an unusual opportunity of comparison is offered by the three unions of small city-Republics or cantonal Republics within the German lands: first the German Hansa, then the United Provinces of the Netherlands, then the League of Swiss Cantons. Notwithstanding many geographical differences, there are unusual similarities. For these Leagues were all Teutonic;* they were all formed for purposes of defence; and they all grew up under Medieval conditions—which survived both in the Netherlands and in Switzerland down to the close of the eighteenth century. Thus a comparative examination of these three Unions in respect of economic and commercial co-operation ought to be instructive.

The three Unions form a graduated scale in this respect. In the Hansa, commercial union was the fundamental motive of the League; in the Netherland Provinces, defence was the motive of union; but commercial Union followed defensive Union. The Swiss League was a purely defensive Union, without commercial co-operation. Remembering this distinction, the student may observe the operation of these three methods in these three Unions. In this chapter each of the three Unions is first examined on its own merits, with reference to present British conditions. Then an attempt is made to draw some probable inference from a comparison of the three Unions.

* The Swiss League was essentially Teutonic. But in the 15th and 16th centuries some French-and-Italian-speaking districts were drawn within its activities by a process of conquest or absorption, chiefly as dependencies of individual Teutonic Cantons. Moreover some French districts became "Associated Cantons", connected with the Swiss League by alliance rather than by inclusion in the Confederation.

HANSA.

The great Medieval example of co-operation differs in two respects from our modern British system. In the first place the German Hansa was a union of towns or city-Republics. In the second place its avowed and primary object—in theory its sole object—was trade. The union was formed for the single purpose of advancing and protecting trade. Its members were essentially trading communities, and the city-oligarchies which composed and directed the union were bodies of merchants. Indeed, the union gradually arose from the action not of governments, but of merchants, who, coming from different cities, agreed to combine for security in their journeys and in their foreign settlements. This kind of informal co-operation was going on for generations before the governments of the cities were drawn together to form a political union, whose object was still mercantile. Thus in its earlier stages the union took form first in caravans and flotillas organised by merchants of different cities for the safety and facility of trade, and secondly in the “colleges” of German merchants planted in Slav or Scandinavian or English towns. In short, companies of Merchant Adventurers came first: defensive union between town-governments followed. Thus our present British problem was non-existent; since the action which is now proposed as a cement for our existing political union was the very germ out of which the North-German city-union grew.

Obviously also the peculiar Medieval conditions, in which the Hansa grew, differ from our experiences. There was a chaotic system or confusion of systems—a nominal German national monarchy (the Emperor being also German king) whose vague and remote authority was unable to protect its subjects; and smaller principalities where the more effective monarchical authority was not national or sympathetic or effective for the protection of the middle-class citizen. Thus the Hansa sprung, first from self-help among merchants, then from the co-operation of municipal magistracies acting together in order to supply the defects of government. Yet the Hansa deserves close attention. In the first place, although conditions differed in detail, it successfully solved the same broad problem which faces us, namely the vagueness or weakness of central authority. Moreover, the Hansa throughout its effective history,

but especially in its earlier days, was a colonising agency and a solver of colonial problems. During the tenth and eleventh centuries, the Northern Germans were carrying out a great movement of foreign settlement, particularly an eastward movement over the Slav lands. This movement took two forms. First it led to the foundation of German towns in Slav or Scandinavian lands. Each new town, peopled by emigrants from various older cities, was kept in touch, first commercially and afterwards politically, with the cities of North Germany proper, by means of these combinations of merchants, which formed the germ of the Hansa. Secondly, the colonising movement led to the establishment of German "colonies" or "colleges" in foreign towns—Slav, Scandinavian, Flemish, and English. Again, combination between merchants enabled these settlers to form in each foreign town a distinct German community inhabiting its own college or quarter and obtaining from the local authorities recognition as a self-contained and partly autonomous community. Such were the German settlements in Nijni-Novgorod and in London, settlements at first forming as it were little self-contained Republics ruled by the merchants who composed them, afterwards controlled by the authority of the Hansa, when the combinations of merchants grew into a political union of the North German towns. In both these forms of colonial activity, the action of the Hansa is a notable instance of the efficacy of commercial union in holding together scattered communities of the same kindred.

Moreover in its whole history the Hansa proves the immense political strength which may spring from commercial co-operation. For the commercial union of cities grew into something like a national Union. In the fourteenth century it was the strongest political power in Northern Europe: it defeated Denmark in war and held at its disposal the three Scandinavian thrones. For more than a hundred years the Hansa acted like a great national Government, pursuing an active foreign policy and maintaining by land and sea armed forces which dominated the Baltic. The sense of common interest was expressed in 1380 through a proverbial phrase which carries the ring of national sentiment—"What touches one town touches all".

The causes of decay of the Hansa are also relevant to the present topic: (1) the predominance and ambition of one member, Lübeck—a condition which has been found to be disruptive elsewhere in the absence of an effective executive, monarchical or semi-monarchical

in character ; (2) an aggressive foreign policy which shocked the purely commercial aspirations of many citizens and brought the Union into an invidious international position. This aggressive movement was partly due to the predominance of Lübeck ; and it illustrates Freeman's remark that of all forms of Government, Federation is the least adapted for oppression of one's neighbours ; (3) changes in the course of trade, which followed the development of ocean navigation and the great geographical discoveries to East and West—a point which reminds one that political conditions resting solely on trade conditions can only be permanent in so far as these trade conditions are permanent. But this consideration merely illustrates the weakness of a political system resting solely on trade, and will not detract from the value of commercial arrangements as a support to political arrangements ; (4) the development of territorial principalities or monarchies, that is to say the strengthening of those Governments whose weakness had rendered the Hansa necessary. This simply means that the Hansa did its work in its own era and gave way before the forces of the succeeding age—a development which does not affect the value and importance of its work ; nor can it be said that so great a phase in the national development of Germany was lacking in essential permanence.

THE UNITED DUTCH PROVINCES.

The Union of the seven Dutch Provinces was abnormal in its origin. It is rather an instance of arrested development taking an imperfect form than an instance of satisfactory and stable union. For the *seventeen* Provinces—ten Belgic and seven Dutch—were on the way to coalesce into a unitary national kingdom under the guidance of their Habsburg sovereigns, when that unitary development was checked by a succession of accidental shocks. The monarchical Executive, which was the most potent organ for the guidance of national sentiment into the visible form of a unitary nation, became foreign, anti-national, oppressive : the people was deserted and betrayed by its guides. Then came the revolt, partly economic, partly religious in character, which split into two divisions the provinces which had been growing into one system. Thus the Dutch provinces to the North became definitely separated from the Belgic provinces to the South.

Nor did the process of disintegration stop at this point. The Dutch Provinces themselves were arrested in their historical development. For these seven revolting Dutch provinces, by repudiating the monarchy, were thrown back into their former Medieval divisions. Combined action in a desperate war was a necessity, but combination could only be effected by agreement of the seven provinces. War forced them into an agreement and even into a provisional and partial adoption of monarchical methods. With temporary peace (1609-1621) the tendency to disintegration recurred owing to the predominance of one member, the Province of Holland, which resented the movement towards a central monarchical executive. The result was civil strife, ending in a political trial and execution, when the trouble came to a head in the quarrel between Maurice and Oldenbarneveldt and the death of the latter.*

A fresh war (1621-48) and the genius of a great ruler, Frederick Henry, riveted the Union once more. But the recurrence of peace in 1648 led to the recurrence of civil strife.

In short the constitutional history of the Republic consists in an alternation of predominance between the central authority, led by the Prince of Orange, and the local authorities, led or rather dominated by the Province of Holland. In case of urgent danger, the central authority guided the State. When the danger passed, the Province of Holland aimed at practical supremacy ; and succeeded in acquiring it during a minority or upon failure of issue in the House of Orange. The latest of these alternations—this time the extrusion of the Prince and the recurrent predominance of Holland—was actually taking place on the eve of the French Revolution, when Prussia, supported by Great Britain, intervened and forcibly restored the Prince of Orange. As in the case of Germany and Switzerland, the movements of the Revolutionary and Napoleonic era swept away Medieval survivals and left place for the establishment of a unitary Dutch monarchy.†

The Medieval anomalies of the Dutch Republic may seem to remove that Union from the scope of this enquiry. But it would be hasty

* This quarrel was ostensibly a religious controversy in part : but its essence was political, and the main charge against Oldenbarneveldt was that he had sought to dissolve the Union.

† The artificial and temporary union with Belgium (1815-30) is beside the point.

to dismiss an example owing to certain differences. The centrifugal and local influences working in the Dutch Union are not identical with those which may be latent in the British Empire ; but it would be rash to assume that they are wholly dissimilar.

The weakness of the Dutch Union lay in the want of an effective central authority. So amorphous and so cumbrous was the system of the States-General and the Council of State that the maintenance of the Union is itself a wonder demanding explanation. The explanation is to be found first in the thoroughly sober, sensible, and practical character of the Dutch, secondly in the force of commercial union and commercial profit. For the national wars of the United Provinces were trade wars. Their diplomatic objects were (1) The general carrying trade ; (2) The right to trade in East Indian and West Indian waters ; (3) The monopoly of trade with their own colonial dependencies ; and (4) The closing of the Scheldt, whereby Antwerp was sealed up and prevented from becoming a rival port to Amsterdam, Rotterdam, and Flushing. The third effective bond was the possession of an extensive and productive colonial Empire in the East.

SWITZERLAND.

In 1291 the three forest cantons united for defence, in view of the anarchy prevailing in the Empire. Their League was strengthened and held together by resistance to Habsburg aggression ; and during the following sixty years five other German States were drawn into it by the same necessity of defence. The Confederation of eight cantons was held together for nearly a century by the needs of defensive war ; but towards the middle of the fifteenth century success in war, comparative security, and the acquisition of territory brought disputes and even war between the Confederates. External war against Charles the Bold brought a brief phase of triumphant union (1474-78) : but " after these battles the Confederation was once more threatened with the danger of disruption. . . . The dissolution of the Confederation seemed imminent*", but was averted by the action of statesmen in a Convention which strengthened the Union.

* The quotations are from *The Swiss Confederation* by F. O. Adams and E. D. Cunningham.

The successive inclusion of other States completed, early in the sixteenth century, the Confederation of the Thirteen Cantons. "It lasted till 1798 without modification and was marked by internal discord, religious wars and revolts of peasants." Religious controversy was the chief, but not the only dissolving force, "and in the sixteenth century the Confederates were more and more divided amongst themselves, so that the Federal tie scarcely existed The essential attributes of the Central Diet were foreign affairs, war, and inter-cantonal disputes, but their authority was, if not entirely, at least nearly annulled by the fact that the Cantons were themselves sovereign at home, and the deputies could only act according to their instructions".

The task of Government was complicated by the fact that the territory of the Confederation consisted in great part of "Associated Lands" and "Subject Lands", whose inhabitants were not full citizens.* These people, natural equals to their neighbours of the sovereign Cantons, were treated by the oligarchies of these Cantons as dependent allies or as conquered subjects. Thus Switzerland as a whole was a conglomeration of sovereign Confederate Cantons, of Cantons unequally allied with them, and of conquered dependents. The outbreak of the French Revolution led to uprisings among these subjects.

During the Revolutionary and Napoleonic period, two attempts were made to re-constitute the Cantons by foreign pressure (1798 and 1803). It is obvious that permanent national constitutions cannot be built up in that way; but French intervention prepared

* It is pointed out in Chapter VI. that the common administration of dependencies provides a bond of union between Confederate States. But in Switzerland there were no true "dependencies" in the equitable sense of the word, and there was no real common administration:—(1) The subjects and associates were as much entitled to be called "Swiss" as their neighbours: they inhabited a continuous territory under similar conditions of civilisation, and they were naturally qualified for full admission to the Confederation on a basis of equality. (2) Most of the Subject Lands were subject to individual cantons, not to the Confederation. (3) The Associate or Subject Lands whose relations were with the Confederation, occupied a confused and undefined position, and there was no central machinery for their administration. In short the position cannot be described as the common administration of dependencies, but rather as a condition (a) of unjust inequalities, disabilities, and exclusions among the inhabitants of the territories of the Confederation, (b) of defective central organization for handling these matters.

the road, by sweeping away Medieval anomalies and placing all the Swiss upon an equality as citizens of one country.

On the return of peace, in 1815, a Constitution was drawn up which may be regarded as mainly a Swiss work, since it was drawn up by the Swiss Diet and was accepted almost without alteration by the Congress of Vienna. The Federal tie was ostensibly made stronger than it had been before 1798; but "the Confederation suffered from a fundamental vice, the powerlessness of the central authority". Agitation and discord followed; religious disputes embittered the trouble. In 1842 four Catholic Cantons seceded to form a Sonderbund. Civil war followed, and it was only by armed force that this new League of seceding Cantons was dissolved.

This civil tumult, though influenced by religious controversy, was mainly political in origin, and the trouble was solved by statecraft. A committee of fourteen was appointed to draw up a Constitution. After seven weeks' labour, they presented their project, which was eventually accepted by all the Cantons.

This Constitution of 1848, which still subsists in the main, provided, for the first time, a stable bond of Union for Switzerland. A definite plan of defensive and financial co-operation was adopted. In the department of defence, the control of the troops was reserved to the central authority. In the department of financial and commercial co-operation a unitary system was practically adopted.

"A great benefit was conferred upon the nation by unification of such matters as coinage, weights and measures, and posts, all of which came under the control of the Confederation. The Cantons surrendered to it the exclusive right to levy duties at the frontiers of the country and the monopoly of fabricating war-powder, and they abolished numerous internal dues and tolls, receiving certain indemnities in return."*

In 1874, by means of the Referendum, the Constitution received an important amendment, which strengthened the central authority, especially in the matter of military control. At the same time a more homogeneous character was given to the nation by the establishment of compulsory secular education and by the subjection of the

* However, the octroi duties levied on goods passing from one canton to another remained in force till 1887 (*The Model Republic* by F. G. Baker, p. 519). These tolls levied for the purposes of cantonal revenue may be compared to the municipal octroi which still prevails over most of the European continent.

ecclesiastical authority to the Civil Power throughout the Union. This change in the Constitution has intrinsically little bearing on the present topic. But the generally peaceful and convenient manner in which the amendment was effected, admirably illustrates the efficacy of the Constitution adopted in 1848.

Thus the Union of Switzerland, which has won a kind of renown as an instance of successful combination, dates in fact only from the middle of the nineteenth century. The preceding five centuries of Swiss history (1300-1800) afford one positive lesson, namely, that the urgent necessity of defence against aggression will suffice to unite kindred and neighbouring communities, possessing generally a common interest, so long as that pressing danger lasts: but this is a lesson which scarcely requires illustration. Whenever the necessity passed, the union slackened. Sentiment, common historical achievements, geographical position, the bonds of kindred and the ordinary needs of peaceful life were ineffective antidotes to the forces of localism: and the most precarious crisis in the history of the Union was the moment of triumph in a common war. The recent history of Switzerland shows that the fundamental elements of possible union existed all the time, and that the Swiss possess a practical and peaceable commonsense comparable to that of the Dutch. Here was a group of South German communities, marked off by position and sentiment from the rest of Germany. *A priori* they might seem better fitted to achieve permanent and effective union than the Hansa towns of North Germany. But the Swiss Cantons, during five centuries, failed to create the necessary machinery of union, the machinery which should be both a visible symbol of the advantages attaching to union, and also a working embodiment of the League. This palpable and stable embodiment of union was achieved, mainly through the administrative union of the commercial and financial part of Government, in 1848.

COMPARISON OF THE THREE LEAGUES.

The three Teutonic unions of small members (cities, provinces, and cantons) seem to supply materials, not indeed for any general conclusion, but for some tentative general observations.

The Hansa, a very remarkable and exceptional union, only to be accounted for by special explanation, owed its existence to co-operation for trade. The union was eminently successful, exempli-

fyng the force of this motive and the efficacy of political action based upon it. The Hansa lasted as long as the conditions lasted to which its existence was due. It was prevented from developing into a nation not by intrinsic defects but by its geographical distribution and by the territorial system which overlapped its action. In fact, its long duration and notable success are the things which require explanation. They can only be explained by its essentially commercial character.

The Dutch Provinces were forced into union by the necessities of war. Every recurrence of peace shook the Union and loosened its bonds. During any long period of peace the Union was only held together by the influence of a succession of great statesmen mostly working on monarchical lines, by commercial interests, and by the possession of trans-oceanic dependencies of great commercial value. The weakness and occasional failure of this motive of union lay in the fact that all the members were not equally concerned and equally benefited by this commercial co-operation and that trade policy was often bound up with the odious preponderance of one member of the Union. Under these conditions, the general efficacy of this economic bond of union is more remarkable than its occasional failure.

The Swiss Cantons united merely for defence: in peace the bond was ineffective and was repeatedly broken. The Union only became a stable reality with the achievement of fiscal unity in 1848.

In the Low Countries after the War of Independence, and in Switzerland after the victories of 1474-78, most of the elements conducive to a union of hearts were present in unusual strength—apparently in almost triumphant strength. In Switzerland, where the machinery of material co-operation was absent, these motives were wholly ineffective. In the Dutch Union, where there existed a cumbrous and imperfect machinery of co-operation, these motives were partially effective. In the Hansa, where nationality was not the aim and the sentimental motives were hardly existent, co-operation for trade brought about a singularly effective union.

The inference seems to be that the strength of union is likely to vary with the strength of its machinery for co-operation in matters of economic and material interest. Upon starting this enquiry, this particular comparison of results within the Teutonic world had not occurred to the present writer: the indications suggested by it were unexpected and surprising.

CHAPTER III.

THE GERMANIC BODY.

The problem of German unity took form when the young Emperor Charles V met the Diet of the Empire at Worms in 1521. "The Diet of Worms brought forth a constitution", says Mr. Armstrong—a constitution which aimed at uniting all the German States, principalities, and free cities, by means of a central organisation. The central authority was to consist of three parts: (1) A German monarchy rising above all the provincial monarchies; (2) a Supreme Court of Justice; (3) an Imperial Council.

Next year this new Government met the Diet to consider the question of national finance. The Diet passed a measure for a national tax of four per cent. on all imports and exports, with exemption for the necessaries of life; custom-houses were to be established along the whole frontier of the Empire. The scheme was complete, and actually ordained by the Legislative Diet. But the cities, interested in opposing any restrictions or burdens on trade, appealed to the Emperor, who prohibited the tax. Thus fell to the ground a proposal which would have provided "an invaluable lever for the unification of Germany".

"Few are the constitutions which survive their infancy", says Mr. Armstrong. In this case the chances of survival were ruined by reversal of the unifying policy initiated by the Diet. The disintegrating forces of religious controversy and of centrifugal State-interests found full scope; and finally, by the Peace of Westphalia, which terminated the Thirty Years' War, the States of the Empire acquired the right of concluding separate alliances with foreign Powers, an arrangement which involved the right of separate warfare. This meant that the independence of each State was thenceforth only limited by the limitation of its strength. The imperial bond sank into the shadow of an idea, and the defensive

* Professor Pollard in *Cambridge Modern History*, Vol. II.

arrangements of the Empire were thenceforth totally ineffective. These later developments are, as regards their detail, alien to the tendencies of the British Empire. The relevant point is this, that early in the sixteenth century the inter-State policy initiated by the Diet gave the opportunity of providing a means of unity through a common interest recognising one frontier for the whole Empire. The failure of this policy left room for the unrestrained working of any disintegrating forces which might exist.

Although the geographical problem is entirely different, nevertheless there are many points of resemblance between the British States of the twentieth century and the German States of the sixteenth century. For, except for the crucial point of religious division, all the sentimental, ethical, and domestic bases of unity were present in the Germanic body in a purer and stronger form than in the system of British States to-day, while on the other hand the visible and tangible bonds of amity are curiously alike. In both cases we find an Imperial Court of Appeal, an Imperial Council,* and a monarch exercising nominal supremacy over the whole system of States and at the same time possessing a nearer sovereignty of a more distinctly territorial nature in one of the States.†

The most important of the Germanic bodies, the Diet or assembly of legislators, is wanting in the British Empire; but its functions as a means of conference (though not as a legislature) are in some degree supplied by the various agencies described in Chapter VIII.

In view of these analogies it is worth noting that a proposal, resembling the fiscal measure passed by the German Diet in 1521, was actually proposed in 1887 by Jan H. Hofmeyr, leader of the Afrikander party. His scheme was "to promote an imperial tariff of customs (to be levied independently of the duties payable under existing tariffs) on all goods entering the Empire from abroad

* This rather informal and experimental body may be compared to the Committee of Imperial Defence *plus* the Imperial Conference.

† This incongruous position of the monarch was a potent influence for disintegration, since the Emperor subordinated his imperial or "national" position to his territorial position. This actual danger is little to be feared in the British instance, since the monarch in his home kingdom reigns but does not rule. Yet in any development of closer union the position of the monarchy is a delicate matter. The monarchy, universally recognised in the British dominions, provides a great means of union, to be treated with the greatest tact and caution.

—the revenue derived from the new tariff to be devoted to general defence". The Afrikaner leader avowed "two objects — to promote the union of the Empire, and to obtain revenue for the purpose of general defence he wished to counteract what he called 'territorialism', or the tendency of local interests to bring about the disintegration of the Empire". This scheme was warmly advocated in Canada at the same time. It should be noted that the German measure of 1522 and the Afrikaner-Canadian scheme of 1887 did not amount to Free Trade within the Empire, but merely to the imposition of an imperial toll on foreign goods, without prejudice to the maintenance or modification of existing tariffs.

For three centuries no opportunity occurred for a movement towards German unity. Then, after the catastrophe of the Napoleonic wars, conditions were so changed that modern Germany almost offers a fresh historical example. The reduction in the number of sovereign States from three hundred to thirty-nine facilitated common action. The shameful humiliations recently brought upon all the Germans by their divisions had taught the necessity of union; and this lesson had been driven home through a very effective propaganda by statesmen, poets, and journalists, who spoke as Germans to Germans, and played upon the national sentiment and traditions which were common to all the Germans. Finally, the national spirit had been roused and the national imagination stirred in the most telling and dramatic fashion by the participation of all Germany in the Battle of the Nations and in the final phases of Napoleon's overthrow in 1813-14.

After 1815 reconstitution was a necessity. A Germanic Confederation was formed, comprising the thirty-nine sovereign States. This Confederation was distinctly an attempt at a defensive union of all Germany. "Its object was to guarantee the external and internal peace of Germany and the independence and inviolability of the Confederate States. Its members undertook to defend not merely Germany as a whole, but each individual State, in case of attack, and mutually guaranteed all those possessions which were included in the Union."* A Diet in permanent session represented all the Confederate States. All differences between the members were to be submitted to the Diet, and in the last instance to a court

* Professor Pollard in *Camb. Mod. Hist.*, Vol. X.

of arbitration. The special object of this defensive union was the security of Germany against danger from France or Russia. There were certain Federal fortresses, belonging to the whole Germanic body, and the armed forces of the Confederation were to consist of contingents from all the States. This Federal army, owing to the divisions between the States, was rather a shadowy arrangement. Nevertheless the defensive character of the Confederation was stirred into activity when a question of Foreign Policy occurred which was felt to concern the whole of Germany, such as the question in what way Schleswig-Holstein was to be retained within the Germanic body. And if some great shock had menaced the security of all Germany, it is probable that the defensive power of the Confederation might have sprung into temporary activity to meet the special emergency.

But in general the Confederation was weak and ineffective. The Constitution of 1815 did not mean union. The forces of localism, the territorial interests of the princes, the foreign elements in the Prussian and Austrian monarchies, the rivalry of these two States, and finally the anti-national policy of Metternich were forces opposed to Union; and the "Confederation" of 1815 was little more than a League of Courts. Constitutional agitation did not entirely coincide with the Germanic movement, and patriotism was for the most part local in its scope.

The first definite step towards a closer German unity was the abolition of internal tolls within Prussia, a measure which turned the Prussian kingdom into a large free trade area: thus, in 1819, came the first Prussian tariff treaty with one petty German State. The possible results of this step were clearly seen, and no fewer than three rival tariff leagues were formed in Germany to thwart the influence of Prussia. But the first step was the effective one: free commercial intercourse was established over most of Northern Germany: the rival leagues collapsed, and their members successively joined the Prussian *Zollverein*. This inter-State economic development was accompanied by an almost undesigned national development, which was stirred into open expression by the need of united action in matters of foreign policy concerning all Germany, such as the question of Schleswig-Holstein and of French ambitions on the Rhine. In 1852 economic unity was achieved: all Germany, except Austria, belonged to the *Zollverein*.

The unfortunate events of 1848-52 had weakened Prussian influence; and the effort towards a United Germany might have relapsed into a vague aspiration, if it had rested simply on sentimental feelings. But the matter now concerned the interest or welfare of the people. Economic union gave substance and continuity to the movement towards political union. Austrian efforts to wreck the *Zollverein* failed, and that League was renewed for twelve years in 1864.

At that date Bismarck's administration (which dated from two years back) had scarcely achieved stability in Prussia, where his foreign policy was hated by the Parliament and distrusted by the King: but in this economic movement Prussia represented the great majority of the German nation.

The methods by which German unity from 1864 to 1871 was forced on by Bismarck, and the direction given by him to the movement, are alien to British political life and need not here be studied. But in 1864 unity was in sight, and Bismarck's later efforts were based on the work already done. That work proves the immense effect of economic co-operation in furthering political co-operation. It also illustrates two other points, first the great value of literary and intellectual propaganda; secondly the need of steady deliberate effort and persistent statesmanship. Co-operation, whether purely defensive or also commercial, is not entirely a matter of spontaneous development. It must be in great part a deliberate and constructive movement, to be effected by diplomatic administration and legislative action.

NOTE ON RELIGIOUS CONTROVERSY AS A DIVIDING FORCE IN GERMANY AND IN SWITZERLAND.

One consideration weakens the value of German and Swiss analogies. In the sixteenth and seventeenth centuries Germany was torn asunder by religious strife and religious civil war, and the Swiss League was repeatedly split by the same force. It is impossible to conceive such quarrels in the British Empire. Yet it must be remembered that in Germany and in Switzerland religious controversy was not the only disruptive force. Indeed, in Germany the princes largely availed themselves of religious controversy to further their political separation. Supposing that the disruptive force of religious controversy had been removed,

much bloodshed would have been spared; but it is extremely improbable that German unity or Swiss unity could have been achieved without economic and fiscal union. Moreover, it cannot be said that in the Germany of 1815-1866 religious differences seriously barred the way to unity. Fiscal union was found to be the only means of overcoming the forces of localism.

Besides, although the controversial conditions prevailing in the sixteenth and seventeenth centuries cannot conceivably recur, it would be most unphilosophical to assume the impossibility of disruptive forces acting with bitterness and animosity. In 1763, disruption in America seemed improbable. A century later the American Civil War illustrates the possible weakness of unions. Even in our own times, if religious differences happen to coincide with racial, political, industrial, and social differences, the result may be an animosity strong and even active. So late as 1837 Lord Durham in Canada found "two nations warring in the bosom of a single State". A dozen years ago South Africa was similarly divided. To-day Ireland is a warning.

In short, although no historical analogy is complete, every historical analogy is worthy of study.

CHAPTER IV.

UNIONS IN BRITISH COUNTRIES.

THE UNITED COLONIES OF NEW ENGLAND, 1643.

The New England colonies in their infancy found themselves exposed to common danger from Indian unrest and from Dutch rivalry. Connecticut, the colony most needing support, urged co-operation in vain for four years. Then the breach between the King and the Parliament brought home to all the need of union for external policy and self-defence. In 1643 "the four United Colonies of New England" were bound together by a formal written constitution in "a . . . perpetual league . . . for offence and defence, mutual advice, and succor . . . both for preserving and propagating the truth and liberties of the Gospel and for their own mutual safety and welfare."

Each colony still managed its own affairs. Eight Commissioners, two from each colony, were to "determine all affairs of war and peace, leagues, and charges and numbers of men for war, division of spoils . . . receiving of more confederates . . ." In case of disagreement, the question was to be referred to the four colonial legislatures. War expenses were to be levied from each colony according to population. The board was to meet annually—a distinct element of strength.

This Confederation could reckon in an unusual degree upon a combination of interest and of sentiment to support it: for its members were bound by a social and religious sympathy of unusual strength. The statement quoted above concerning the religious element in the Union was no mere form of words, but a solid reality: the eight commissioners were to be Church members.

The League proved successful in the one point wherein such Leagues have usually won particular and temporary success, that is to say the vindication of their security in a crisis which menaced them all. The Indian danger was countered: Dutch rivalry was

checked. But the League suffered from two inherent weaknesses ; first the inequality of the members, secondly the separate fiscal action of each colony.

Massachusetts contained five-eighths of the total population of the Confederation. Her military contingent was to be something less than half : her war contribution exceeded half. Yet she had only the same representation with colonies containing one-fifth of her population. She frequently strove to exercise more than her formal powers, thus incurring the enmity of the smaller members. Twice this friction came to a head, the occasion being in each case a question of foreign policy. The first instance occurred at the very moment when the Confederacy was formed. In 1643 the eight Federal Commissioners decided on an expedition against the Narragansett Indians. Massachusetts objected. The expedition started, but failed owing to the abstention of the largest partner. Nine years later, war having broken out between England and the Dutch Republic, the New England Commissioners resolved to attack New Amsterdam. Massachusetts dissented, arguing that the Commissioners had no power to determine the justice of an *offensive* war. The dispute was accidentally extinguished by the conclusion of peace in Europe. These two disputes illustrate the weakness of the *pro rata* contribution, each member levying the money in its own way ; the weakness being emphasized in this case by the fact that there was no contribution except in case of actual war. This point illustrates the great value of a permanent Exchequer, or at least some central fiscal policy to take its place.

As to fiscal independence, Connecticut, holding the mouth of the Connecticut river, levied toll on every passing vessel, including Massachusetts vessels sailing to an up-river Massachusetts town. Massachusetts complained. The Federal Commissioners deciding against her, she imposed duties at Boston on the trade of her sister colonies.

Notwithstanding its formal constitution and its Executive Council, the Confederation, owing to these two defects, was not a permanent or stable arrangement even during the twenty years of its active life.

Its practical collapse in 1664 was chiefly due to external causes. Its remaining twenty years of occasional action and general impotence need not be treated.

THE THIRTEEN COLONIES.

“Just as the British constitution is the most subtle organism which has proceeded from progressive history, so the American constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man.”—*Gladstone*.

The Thirteen Colonies of the Atlantic sea-board were severally connected with Great Britain, but not directly connected with one another in regard to Government, except that the same Royal Governor sometimes held office in adjacent colonies. Their divisions were historical and geographical in origin, corresponding to separate acts of settlement. Thus there was an economic as well as a political factor in the continuance of these divisions, since each settlement fixed its base and outlet of communication upon navigable waters, and thence spread inland and coastwise. Thus Massachusetts in the north and Georgia, 800 miles to the south, were related to Great Britain and to one another in much the same way as Newfoundland and New Zealand are to-day related to Great Britain and to one another, the intercolonial bond being of an indirect and remote kind. Each colony had its own Executive, Legislative, and Judicial system, its own capital, its separate militia, and in some degree its own policy of external affairs towards Indians, French, Spaniards, or Dutch, and also towards British King, Parliament, or Commonwealth.

But they were not completely isolated. All called themselves English and recognised British allegiance. There was a general similarity in administration and political methods; and the menace of French advance was a motive of union. Yet attempts at Union, urged by the Mother-country during the two generations preceding 1755, were all failures. A congress representing seven colonies met in 1690 to concert action against the French, and served in some degree its temporary purpose. Another congress, summoned in 1754, to consider permanent union, effected nothing, notwithstanding Franklin's repeated warning, *Unite or Die*. It is true that the failure of the congress of 1754 was partly due to the attitude of Great Britain. Yet the attitude of the Colonies themselves clearly showed that for them natural bonds of union were ineffective, even at moments of pressing common danger, in the absence of a palpable constitutional link, a permanently working machinery of co-operation, and

some definite common possession to be defended. The policy of the French drove them into crude attempts at combination, and that was all.

As in the case of the Dutch provinces, rebellion against constituted authority produced united action, as an indispensable preliminary to victory. In 1774 the efforts of statesmen assembled a Continental Congress which two years later drew up "Articles of Confederation . . . and perpetual Union". This Constitution served its purpose, more or less effectively, during the war: but the advent of peace in 1781-2 proved that a scheme designed to meet a special emergency broke down when the pressure relaxed, and that the racial and historical bonds, thus described by Jay in the *Federalist*, were not adequate elements of permanent union:—

"Providence has been pleased to give this one connected country to one united people—a people descended from the same ancestors, speaking the same language, professing the same religion, attached to the same principles of Government, very similar in their manners and customs and who . . . fighting side by side . . . have nobly established general liberty and independence."

The main defects in the "Confederation" were (1) equal representation of States, without regard to population; (2) absence of a federal Exchequer or of any financial authority in Congress, which could only request the States for supplies; (3) fiscal independence of the States, which levied tolls and customs upon one another. The resulting weakness showed itself in the difficulty of all foreign negotiations, and especially of commercial negotiations.*

In 1782 the New York Legislature urged the assembly of a revising Convention, in view of the financial impotence of Congress and the want of a regular revenue. But the actual initiation came from Virginia, whose Legislature invited deputies "to examine . . . the trade of the States; to consider how far a uniform system in their commercial regulations might be necessary. . . ."† The

* Fiske, *Critical Period of American History*, p. 154.

† The comment of Bluntschli is noticeable. In 1872 he wrote that the initiation of the Constitution was "the attempt of the State of Virginia to assemble a meeting of deputies . . . to take into consideration the general commercial interests and to *pave the way for a kind of tariff-Union*". —From a pamphlet on *The Foundation of the American Union*.

State of New Jersey went further, empowering their deputies "to consider how far a uniform system in their commercial relations *and other important matters* might be necessary to the common interest and permanent harmony of the several States". Five States sent deputies. But next year, 1787, the Convention of twelve States met to draw up the Constitution of the United States. The "Confederation", which had been merely a League of Sovereign States, was replaced by a National Government—Executive, Legislative, and Judicial. But it is significant that the most critical part of the Convention's work was to fix the powers of the New Government in respect of finance and trade, a difficulty arising partly from the fact that these matters are essentially executive yet require legislative sanction, partly from the fact that the sovereignty of the States was here most nearly touched. Finally the new Government was authorised to levy taxes. But there was much discussion over its right to tax exports, to pass Navigation Acts and to prohibit the Slave Trade. It was finally decided that the national legislature might not tax exports, that they might pass Navigation Acts, and that they must not interfere with the Slave Trade before 1808.* All inter-State custom-houses were abolished, and the United States became a Free Trade area, which was capable of vast expansion.

The Constitution was the work of several able men and one man of genius, Alexander Hamilton. He urged that the Central Government must have power to regulate trade, and that a National Debt would be "a powerful cement of our union". His policy was "a foreign loan, a federal revenue, and a national bank". Hamilton also strove to strengthen the monarchical element in the Executive, seeing its value in the case of Great Britain.

* It should be noted that the prohibition of export duties was not in effect a limitation of the rights of the Central Government to regulate trade, since the same prohibition applied to the individual States, which ceased to have separate custom-houses. Thus there were no trade-regulations denied to the Central Government through being reserved to the States Governments. The prohibition meant that export-duties were excluded altogether from the competence of any government. Again, the limitation as to the slave-trade was merely temporary, to satisfy special conditions. Thus the conclusion reached was in effect this:—*The Constitution of the United States prohibits export duties: otherwise all regulation of trade is permitted to the Central Government.*

The Constitution was a triumph of statesmanship. Its example has been of immense value to Canada and to Australia. How far is that example applicable to the British Dominions? It can only be partially so; for the continuity of territory in the United States rendered possible a real national Government, a Government which should act upon individual citizens and not only upon States. In our present conditions, so close a union is unattainable and undesirable. But the example does show the immense value of a common commercial and fiscal machinery, for purposes of that political union, which is in turn the indispensable basis of defensive co-operation. In this respect the difficulties in the United States then were probably as great as those which face us to-day. For, though the United States territory was continuous, communication was slow, difficult, costly, and sometimes dangerous, over its great extent. Mr. McLaughlin, in his *Constitutional History of the United States*, writes thus:—

“When the people were thinking of themselves they must have felt their differences more keenly than their similarities. South Carolina was so remote from Virginia that we might almost think of her as belonging to the West Indian group of colonies rather than to the Continental. The Declaration of Independence was known in Paris almost as soon as in Charleston. . . . When John Adams, leaving his fireside in Braintree, went to Philadelphia as a delegate in Congress, the letters which he sent home were welcomed as tidings from a far country.

“‘Of affairs of Georgia,’ wrote Madison in 1786, ‘I know as little as of those of Kamskatska.’ When we add to all this the fact that the colonies were established at different times and from different motives, and that climate, soil, and industrial life varied greatly from Maine to Georgia, we are so impressed by the diversity that union seems almost beyond the verge of possibility.”

To-day the telegraph and increasingly rapid navigation facilitate such work. In the following passage perhaps Seeley overstates his argument: but it deserves attention:—

“As soon as distance is abolished by science, as soon as it is proved by the examples of the United States and of Russia that political union over vast areas has begun to be possible, so soon Greater Britain starts up, not only a reality, but a robust reality. It will belong to the stronger class of political unions.”

It should be added that Hamilton desired Free Trade with Great Britain. And in the British Parliament Pitt actually proposed in 1783 a measure for Free Trade with the United States. This design of two magnanimous statesmen came to nothing, since no machinery existed for ensuring its continuance. Under the international conditions which have prevailed hitherto through the whole of history, such a permanent commercial bond between two countries implies also a political bond.

CANADA, AUSTRALIA, AND SOUTH AFRICA.

CANADA.

Canada continues the half-broken thread of British-American history. In this enquiry the whole movement is pertinent, whereby Canada passed from authoritative Government (1763), through experimental localism (1774) and Representative Institutions (1791) to Responsible Government (1840), then to Federal Union (1867) and incipient nationhood. For Canadian example has guided Great Britain in her progressive attitude towards the other Dominions and has also guided them in shaping their own course.

But the immediate topic is Union.

From 1791 French Quebec and English Ontario severally possessed Representative Institutions without Responsible Government. The friction in each Province between an elected Assembly and an irresponsible Executive culminated in the rebellions of 1837. Then came the epoch-making Report of Lord Durham, and his advice, "Let the Colonies govern themselves". The Act of 1840 initiated Responsible Government, which came into practical working during the succeeding twelve years.

The same Act united Quebec and Ontario. This Legislative Union of the two Provinces was designed to meet special conditions, and especially to obviate French separatist tendencies. The scheme proved unworkable owing to local problems of race and population. The severance of the two Provinces was inevitable. But the problem of combining this provincial separation with Canadian union was solved, after long discussion, in 1867. The two Provinces were separated, each acquiring its own Executive and Legislature; but they were re-united in a Federal bond which included New Brunswick and Nova Scotia, with provision for the possible admission of

every part of British North America. An essential part of this Federal Union was fiscal unity—a free-trade area which, upon the inclusion of British Columbia, was to extend from Atlantic to Pacific.

Among the many obstacles which stood in the way of Canadian Federation, two may be specially mentioned:—(1) The difficulty of applying federation to dependencies controlled from without; (2) Difficulties of communication.

The former barrier was overcome by the practical withdrawal of British control. The second was overcome, for Eastern Canada, by the construction of the Inter-colonial Railway; for Western Canada it was overcome, prospectively at least, by the promise of a trans-continental railway. British Columbia, having first united with Vancouver Island (which had been a separate government), joined the Federation in 1871. But such were the economic difficulties of her isolation from the Eastern part of this Fiscal Union that, for a time, she threatened secession. For at that time Vancouver was more cut off from Halifax than Sydney from London to-day, although in the former case the remedy was perhaps more immediately obvious. That remedy, the construction of a trans-continental railway, was only realised with the financial aid of the Canadian Government, assisted by the guarantee of Great Britain.

The establishment of Federal Union does not mean the final solution of all problems of Union: for History knows no finality. But this Union provides a machinery for solving problems as they arise. Canada furnishes a singular lesson in the reconciliation of particularist forces, and in national or imperial consolidation: for Canada is something besides a nation. The diversity of Canadian origins and the geographical diversity of her provinces are such that Canada is an Empire in herself.

A necessary antecedent to effective defence and even to national consciousness was union between the parts; and an essential part of that union was fiscal unity.

AUSTRALIA.

The example of Canada bore fruit in Australia, where particularist tendencies were perhaps stronger than in Canada. There was no continental frontier, no national rivalry, impelling Australia towards union; and the absence of racial differences, which looks favourable to union, simply meant that the racial problems which

found their solution in Canadian Federation were non-existent in Australia. Moreover, the younger Australian colonies had demanded a separate existence, which was thus an essential feature of their history. They had grown up in sedulous rivalry. Tasmania, Victoria, and Queensland were offshoots from the mother-colony, New South Wales: distance and difficulties of communication compelled them to set up separate capitals, the seats of separate government. South Australia and Western Australia were settled directly from England; Western Australia was separated by a wide desert from the other colonies: Queensland was in great part tropical. But perhaps the greatest bar to union was the keen rivalry between New South Wales and Victoria, the richest and most populous of her daughter-colonies. This rivalry showed itself especially in the jealousy between the two great cities of Sydney and Melbourne. Moreover, New South Wales practised Free Trade, while Victoria used Protection.

Australia, in the path towards union, passed through an intermediate stage which may be compared to the incomplete and ephemeral "Confederation" of the United States (1775-88); for in 1885 an "Australian Federal Council" was established for those Colonies whose Legislatures should accept it. This Council possessed legislative but no executive or financial powers. Moreover, New South Wales did not join it. However, in 1889-90, New South Wales took the lead in assembling a Convention, with a view to effecting complete Federation. In the course of ten years (1890-1900) three Australian Conventions met, besides two Conferences of Australian Premiers.

Finally, in 1901, the six Australian colonies united in the Federal Commonwealth, to form one fiscal system, a free trade area comprising the Continent and its adjacent island.

The Federal Government has now adopted a definite policy of self-defence, which would have been impossible before the Union of the States.

SOUTH AFRICA.

South Africa continues the story, as another example of union between separate bodies, which first joined in fiscal combination and then coalesced into a single State. Thus this instance adds to the cumulative force of our large "supply of facts". It is another

example of the reconciliation of racial and industrial diversities by the combination of localism* with a large political union.

Yet in this instance the argument for adopting commercial co-operation, as an element of defensive combination, is weaker than in Canada and Australia, owing to the very fact that the fiscal divisions of South Africa were a kind of avoidable accident, due to diplomatic bungling in 1848-52. At that time fiscal unity was easily attainable, and it has been a crying need ever since, owing to the geographical inter-dependence of the provinces. This need was so obvious that, with the exception of the Transvaal, all the South African States, including the Orange Free State, had formed a Customs Union before the recent war. Thus, whereas in Canada and in Australia fiscal unity was laboriously achieved in the face of great difficulties, not for its own sake, but as a necessary part of political union and an indispensable preliminary to effective defence, on the other hand, in South Africa fiscal unity was an urgent desideratum in itself: fiscal unity was first achieved for its own sake, and not for any ulterior political or strategical objects. Thus South African Union may be compared in this matter to the German Hansa and to the Argentine Confederation. These were groups of States which found themselves obliged by circumstances to adopt commercial co-operation for its own sake as indisputably beneficial and even necessary in itself. Then political union followed. Nevertheless, South Africa is another instance of the potent force exercised by commercial co-operation or fiscal union in forming or cementing political and defensive union. In South Africa, as in Canada and Australia, political union, including fiscal union, was a necessary preliminary to national consciousness and to effective arrangements for defence.

* The fact that the Constitution of South Africa is more unitary in character than that of Canada, does not concern the present argument.

CHAPTER V.

ATTEMPTS AT UNION IN SPANISH AMERICA.

Early in the Nineteenth Century the countries of Spanish South America, having thrown off European dominion, found themselves faced with the problems of reconstruction. There had been, under Spanish dominion, six main political divisions, generally corresponding to separate historical acts of settlement in distinct geographical regions, having separate outlets to the sea. These divisions were (1) Peru, (2) Chile, (3, 4, 5) the three northern tropical provinces—New Granada, Venezuela, Quito—which may be grouped together, and (6) the Viceroyalty of Buenos Aires. This last was an immense and heterogeneous territory comprising the regions of the River Plate, and of the Pampa, from the Andes to the Atlantic, and also comprising the remote Andine province of Upper Peru.

As in the time of Spanish dominion, so also after emancipation, centrifugal forces were strong. The tendency was that every important colonial capital should maintain its status by becoming the Republican capital of a distinct region. But there were two movements which aimed at counteracting this separatist tendency by a large union of provinces; first the attempt of Bolivar to hold together the three northern tropical provinces which had acted together in the war of independence; secondly, the formation of the Argentine Confederation.

COLOMBIA.

Of the three northern tropical provinces, the first, New Granada, occupied the Northern Andes, and found its outlet northwards by the Magdalena River: the second, Quito (now Ecuador) faced westwards, finding its gateway to the Pacific in Guayaquil: the third, Venezuela, faced generally eastwards by the outlet of the Orinoco and of the ports connected with the Antillean region. Thus the obstacles to union (as in the case of British Columbia and Canada) were difficulties of internal inter-communication, and diversity of trade routes and of economic interests. In face of these difficulties, the genius of Bolivar was unable to contend against the prevailing centrifugal tendency; and the three provinces, after a brief essay

of union under the name of Colombia, finally formed three independent Republics.

ARGENTINE.

In the Viceroyalty of Buenos Aires three provinces were clearly marked off from the rest by geography, namely, Upper Peru, Paraguay and Montevideo. (a) The province of Upper Peru, which belonged rather to the Andine and Pacific region, became at once detached after emancipation. (b) Paraguay, a country chiefly inhabited by Indians, and self-sufficing as regards the necessaries of life, chose separation in a manner which precludes analogy in civilised history: she sealed up the river and declined all external communication; (c) Montevideo and the Uruguayan province were closely connected with Buenos Aires by origin, history, language, sentiment, kindred, and common action in war. But being separated from Buenos Aires by the estuary and having separate access to the sea, Montevideo formed a distinct economic region, geographically connected with the Brazilian system. Economic and geographical forces proved stronger than sentiment and kindred; and for a time the Spanish province of Montevideo formed part of the Portuguese monarchy of Brazil. After considerable fighting, a solution of the problem was ultimately found in Uruguayan independence, an independence which was rendered possible—and indeed inevitable—by the possession of a separate commercial outlet.

Thus three provinces, geographically distinct, were lost to the Argentine system.

Meantime, in the remaining provinces which stretched from the Andes to the Atlantic, a struggle was in progress between separatist and unifying forces. Intrinsically, separatism was the stronger force, since every prominent city in the interior was intensely jealous of the predominance of Buenos Aires, and desired to be the capital of an independent province. But economic forces proved stronger than the prevailing centrifugal tendencies. The only outlet to the sea lay through Buenos Aires: thus every province was perforce connected commercially with Buenos Aires. After long struggles and repeated attempts at secession, the interior provinces were forced to accept the fact that, since commercial co-operation was indispensable, political union was unavoidable. Eventually an issue was found in a Federal arrangement somewhat resembling that of Canada.

It was not until 1880 that this arrangement was really shaped into a working form, which after the disturbances of 1890 received clearer recognition and more practical adoption. About that time the need of more effective defensive arrangements began to make itself felt. Since that date Argentine nationality has been a steadily growing force, which finds one form of expression in a considerable naval and military organization.

Thus these two South American examples, one a failure, the other a success slowly and painfully achieved, illustrate three points :—

(1) That in the absence of commercial or economic bonds, political union is difficult.

(2) That commercial co-operation or interdependence is a powerful inducement towards political union, and a powerful factor in a nationality comprising scattered and diverse units.

(3) That the permanent stability of defensive arrangements depends on permanent political union.

Note on the Value of Latin-American Examples.—It would be a mistake to dismiss these two examples as irrelevant or incongruous. For the statesmen who were concerned in these movements, at least in their earlier stages, were men of high attainments and of much experience in provincial and municipal affairs. Thus these developments are parts, or at least appendages, of European political history. But from other unions, or attempts at union, in Latin-America little is to be learnt. The unity of Brazil is chiefly due to its preservation of monarchy till 1889 and to its Portuguese origin, which marks it off in clear distinction from the rest of the continent. Central America is hardly to be taken as an example, and the history of Mexico is abnormal. Latin-America possesses two other self-styled "Federations", where the term is inaccurately used merely to designate the convenient division of an extensive territory.

In this chapter Colombia is only mentioned by way of illustration, to provide a contrast with Argentina. But so ephemeral an attempt at union cannot be included in the catalogue of historical examples. Accordingly Colombia will not be mentioned again. But the recent history of Argentina certainly qualifies that Confederation for inclusion in the list of unions and federations among peoples of European origin.

CHAPTER VI.

APPLICATION OF HISTORICAL EXAMPLES.

“History, while it should be scientific in method, should pursue a practical object.”—*Seeley*.

In presenting each of these past examples a comparison with the present problem has been suggested. It remains now to consider the “accumulation of facts” gathered in chapters II, III, IV and V, and to consider whether any cumulative indications can be found bearing on present conditions. Owing to some differences and uncertainties, it seems best to exclude Achæa and Lycia from this general examination, leaving for separate mention such illustrations as they supply. Accordingly the ten more recent examples, of which we have fuller knowledge, must be considered, in order to see whether they present any common factors as usual or universal elements of success in defensive union.

These ten examples show no instance of permanently successful defensive co-operation between States without commercial co-operation. This fact is not always immediately obvious, because—thanks to the geographical continuity of each group of States—commercial co-operation has in most cases been carried to its utmost development, that is to say, fiscal unity. This means something more than commercial co-operation: it means commercial combination or coalition. In that case the States do more than co-operate. They unite, as when two banking companies unite to form a single bank.

In four out of the ten instances, an attempt was made to achieve defensive co-operation without commercial co-operation. In all four cases—in New England, in Switzerland, in the United States, and in Modern Germany—the attempt failed of permanent success. In each case, the States acted together in war when necessity compelled them to do so; but on the relaxation of

pressure they pulled opposite ways. It is true that in one case—the New England Confederation—the actual decay and dissolution of the union was mainly due to external causes. But the short history of its intermittent and half-hearted activity suffices to show the weakness of its constitution in the matter of finance and trade. In Switzerland effective union was never attained until fiscal unity was achieved, in 1848. From that date, the Swiss Federation passes into the category of successful and permanent unions; and its defensive arrangements have become a model of efficiency.

The example of Germany tells equally in the same direction. In the United States the evils of commercial and fiscal division were not the only defects demanding remedy. But these were the defects most intimately felt; and it was the need of curing these economic evils which led to the larger movement for political union between the Thirteen States.

Thus, out of the four examples of failure in defensive union, three were turned into success after the removal of this defect. This point demands careful scrutiny; for obviously the argument *propter hoc quia post hoc* is not a sound one, unless similar results following similar conditions can be traced in many instances. The argument in this case can be stated thus:—In every case of successful defensive union, we find commercial co-operation or combination as part of the inter-State arrangement. In four cases this factor was absent, and the union proved to be an unstable and intermittent one. In three of these four cases, this economic defect was supplied, and the defensive union became a success.

To sum up, there are nine examples* of successful defensive union between States, in which commercial co-operation has been a condition of the union. Usually, commercial co-operation has merged into fiscal unity, that is to say into commercial amalgamation, as an essential part of national union. On the other hand, it is always impossible to assert a negative: but the present

* The nine examples are the German Hansa, the Dutch Provinces, Switzerland, Germany, the United States, Canada, Australia, South Africa, the Argentine Confederation. Japan might perhaps be included so as to make ten examples. But it seems better to confine the enquiry to unions among States of European origin, merely mentioning Japan by way of illustration.

writer has been unable to discover any examples of permanently successful defensive union without commercial co-operation.

DEFENSIVE ORIGIN.

Since defensive co-operation is the main subject of the thesis, the defensive motives of these unions should be particularly scrutinised. Four of these unions were definitely formed for purposes of defence, namely: The Dutch Republic, the Union of New England, the Swiss Confederation, and the German Hansa, which was a union formed for defence of trade: it may almost be said that these four unions had no other object than defence. In the United States, defence had been the sole object of the first movement towards common action, out of which were developed first the imperfect and short-lived "Confederation", then the fuller national Union: and it is obvious that among the motives which led to that closer union, a prominent motive was the urgent need of that consolidated strength which was essential for self-preservation. That same need—the need of union for defence and for self-preservation—was also a leading motive in the formation of the German Confederation in 1815, out of which grew the closer union of the German Federal Empire, when the defects of the Confederation had been remedied and stronger bonds had been contrived. In the remaining cases—Argentina, Canada, Australia, South Africa—the immediate need of defensive strength was not so urgently prominent. Yet this need was not invisible or unfelt. It is certain that the federation of Canada would have been much more difficult but for her long defenceless frontier and the unconcealed ambitions entertained at that time in the United States for the absorption of Canada into their republican union.* In Australia there is no doubt that the advance of other Powers in the Pacific was an inducement to union.† In South Africa the same motive was present; for the examples of Canada and Australia had proved that union meant strength: recent experience had shown that the danger of European interference in South Africa was not

* "Macdonald . . . realised the danger lest Americans should occupy the hinterlands of Canada and intercept the road to the Pacific."—Prof. Egerton, *Federations and Unions in the British Empire*.

† "It was the threat in 1883 of the Germans in New Guinea which first set Australian public opinion moving in the direction of federation" (*ibid.*).

totally imaginary : moreover, a strong motive of union was the need of a uniform attitude and policy towards the indigenous inhabitants, a need which was, in a sense, a defensive or preservative one.

DEFENSIVE RESULTS.

The value of permanent political union as a defensive measure requires no proof. But since every one of these unions proceeded by way of commercial co-operation or fiscal unity, logical completeness demands some consideration of defensive results. Those results have already been indicated in each historical case. Among recent instances, Germany, Switzerland, and Canada well show the practical defensive results of union. But the example of Canada is particularly apposite. For the radical change in the attitude of the United States towards Canada during the past generation illustrates the defensive value of union, viewed merely as a moral power, peacefully operating without the exhibition or menace of force. Canada now speaks as a nation to a nation, not only as she faces towards Great Britain, but also as she faces towards the United States. Formerly that republic was bordered by a line of detached British provinces, whose actual status was unlikely to be a permanent one ; thus they might reasonably be regarded as likely to share the destinies of Florida, Texas, and California. Now the United States see across their border a united nation, to be treated with respect.

The very fact of union, the consciousness of nationality and of a distinct national destiny, the quiet assertion of a national and international position, the manifestation of national dignity, the "sense of a great citizenship"* felt by all the people, and showing itself in their collective national attitude—these things are in themselves a strong defence, representing, as they do, resolution, vigour, and solidity, in place of something provisional and unstable.

Accordingly, so far as the evidence of these examples goes, it appears, first that commercial or fiscal co-operation has been found in the past an indispensable element in forming permanent defensive union between States ; and secondly that commercial co-operation or fiscal combination has been found in the result to be a potent factor in forming or cementing union and so strengthening it for defence.

* Dilke.

Thus, looking backwards, the enquirer gathers from the historical method a definite conclusion, which may here be stated with all possible emphasis. This conclusion is that *self-governing States have failed to co-operate permanently for the purpose of defence without co-operating for the purpose also of trade.*

GEOGRAPHICAL CONDITIONS.

The question occurs whether any reason can be found which may render this historical conclusion, derived from accumulated instances, inapplicable to Greater Britain. It has been already pointed out that, in every example which has been examined, the group of States formed a clearly defined geographical area, whereas the States of Greater Britain are scattered over the globe. This geographical dispersion is a serious obstacle to fiscal combination or commercial co-operation.

The necessity of defensive union being assumed as an axiom in the thesis, then—for the very reason that it *is* more difficult—commercial co-operation is more important, if it is in truth essential to defensive union. For, just as commercial co-operation is more difficult in the case of these scattered communities, so also any other form of co-operation is more difficult for the same reason. The bond between Great Britain, South Africa, Canada, Australia, and New Zealand will be liable to more severe strains owing to possible divergence of interest or world-policy than the bond between the six Australian States. Thus the bond between the Dominions of Greater Britain must be strong enough to stand any strain. In proportion as it is more difficult, so much the more is it essential to supply all the elements of permanent union, since the difficulty in supplying each essential is in part the measure of the difficulty in effecting permanent defensive union. Moreover, mere visible contiguity or neighbourhood, as shown on a map, is apt to be misleading. For instance, British Columbia still forms an economic area distinct from the rest of Canada. For that reason union was extremely difficult and was for a time unstable, nor can it be said that a really satisfactory and harmonious financial arrangement has been yet reached. Again, there were serious obstacles and delays to Australian union, first owing to economic differences and

geographical distinctions between Queensland and the rest of Australia, then owing to similar differences between Western Australia and the rest of the Continent: and it must still take some time before the resulting friction becomes completely smoothed away by the growing and habitual sense of the benefits derived from union. Even in the case of Great Britain and Ireland, economic differences are so marked that the customs union of the two islands does not work with entire smoothness. In all these cases grave difficulties were overcome and are now daily overcome for the sake of unity—difficulties perhaps scarcely less than those which surround the present problem.

To say "it is impossible" is simply to shirk the question: for the immediate problem before us is not whether commercial union is practicable, but whether defensive union is practicable without it. The question whether commercial union is practicable and, if so, in what way, is a supplementary problem to be treated separately later. This supplementary problem must not be allowed to colour the lesson learnt from history.

Nevertheless, the main question of possibility is not here totally irrelevant, since the sentence "it is impossible" simply denies that the historical cases are examples at all: it denies analogy.

The two "schools of thought" to which the editor of *United Empire* (March, 1913) referred in announcing the theme, are both equally agreed upon the necessity of defensive co-operation. But they will differ in their comments concerning these historical examples. For the sake of clearness, their probable or obvious comments may be put into words thus.

The one school will say:—

"Commercial union is not only feasible but also indispensable between contiguous States or between adjacent islands forming a clearly defined national territory. In such cases custom-houses between the States and divergences of fiscal policy are so inconvenient and so irritating that they bar effective union for any purpose, and must of course be swept away. But in the case of communities separated by oceans, this irritating inconvenience of fiscal separation is not felt. In this case fiscal or commercial union is impossible. Therefore, if past precedents indicate that commercial union is indispensable for defensive union, we reply that these precedents cannot guide us. We must make a new

precedent. Defensive union must be made practicable without commercial union."

The other school will say :—

"Precedents indicate that commercial union is essential to defensive union. If we are told that present conditions make commercial union impossible, then we reply that in the light of past experience commercial union must by some means be made practicable, in order to ensure defensive union."

So far as the use of "accumulated facts" goes, it is evident that the second school uses the "historical" or "scientific" method, and that the first school makes the larger assumption. That is to say, those who regard commercial union as an indispensable condition of defensive union accept the teaching of history. Those who take a contrary view reject or explain away the teaching of history.

CITIZENSHIP AND GOVERNMENT.

The denial of historical analogy, the argument "it is impossible in this case", may be stated from another point of view thus :—

"Alexander Hamilton and his colleagues were determined to convert the unsatisfactory 'Confederation' of the United States into a 'National Government'. By a National Government they meant a Government which should act not only upon States but also upon individuals, a Government in which every citizen should feel himself to be concerned, supporting it by payment of taxes, owing obedience to its tribunals and legislature, and claiming, in the face of the outside world, citizenship in that Government. Thus Massachusetts and Virginia are not nations, as Canada and Australia claim to be nations: the States of the American Union might rather be called Provinces enjoying partial autonomy, like the Canadian Provinces or the several Australian States. And in the other cases of union, the provinces or States never possessed nationhood, except perhaps in the doubtful case of Germany, where they surrendered that nationhood. Thus in all, or nearly all, these cases the central authority is a National Government which acts on all the citizens. Geographical conditions and political claims in the British Empire preclude the creation of such a central National Government. Therefore these historical examples are not applicable to this case."

This argument tends towards the quagmire of abstract theory and unprofitable definition. It leads us to examine the difference

between a Bundesstaat (bonded-state or group-state or federal-nation), where the central government touches everybody, and a mere Staatenbund (bundle of States or Nations), where the government only touches States, and it is the several State governments which touch everybody. The following comments suggest themselves :—

(1) Leagues of cities, such as the Achaean League, the Lycian League, and the German Hansa, have some features of both forms of union. It is not desired here to press the analogy from city-leagues ; but it has a certain cumulative force, and so adds something to the reply to this objection.

(2) Modern Germany partakes of the nature of both forms of union, since the German States vary much in the degree of their autonomy or federal attachment. The historical and actual sense of nationhood is strong in the chief German monarchies, such as Bavaria, Saxony, and Wurtemberg. Several of the States maintain separate diplomatic relations and the other visible apparatus of distinct national existence. Bavaria, in addition, has a separate Post Office and a separate War Office and military organization. In historical, religious, social, temperamental, and traditional ways Bavarian sentiment is anti-Prussian. In fact, the Prussian probably seems as much a foreigner to the Bavarian as to the Austrian : the scurrilous cartoons of the Kaiser which appear, unchecked by any censorship, in Bavarian periodicals, illustrate this sentiment. Yet German union has overcome these national feelings of localism and animosity. A working federal system has been created. The States are bound by a customs union and a defensive union.

(3) It is not right to assume the impossibility in the present case of creating a central authority which shall be in touch with individual citizens. A government such as that of the United States, in daily intimate touch with all the people, is probably impracticable. But it may be possible to create a government which shall concern individual citizens. Putting aside the possibility of some customs arrangement, other possible modes of contact are : (a) Election, whether direct or indirect, of representatives on the Central Government ; (b) Decisions of the Imperial tribunal, however rare, on civil cases ; (c) Public debt and payment of interest ; (d) Interchange of gar-

risons and ships' crews ; (e) Conceivably even some form of taxation.

(4) The denial of analogy and of the possibility of a real national Government again begs the whole question. This denial may tell equally against any kind of permanent co-operation. In short, such a denial substitutes assertion for the " historical " or " scientific " method.

SOME FEATURES OF THESE HISTORICAL EXAMPLES.

The main subject of this chapter has been concluded. But there are certain lessons to be drawn from these examples concerning the general topic of union. These points may be briefly mentioned.

Modification of Bonds.—The examples of Switzerland, of Canada, of the Netherlands, of the Argentine Republic—perhaps also of Modern Germany—illustrate the fact that bonds of union which are felt to be unsatisfactory either as being irksome or as obsolete, must be modified or undone as an essential condition of permanent co-operation. This truth is in itself sufficiently obvious : but traditional sentiment is apt to ignore it, in clinging to long-standing arrangements. At the present time such arrangements as do not satisfy modern requirements between Great Britain and the Dominions are being modified, not by sudden demolition, but by the usual British method of gradual piecemeal substitution.

Preponderance of one Member.—The examples of the Dutch Republic, of the New England Confederation, and of the Argentine Confederation show that the excessive preponderance in wealth, population, and strength, of one member is apt to be a cause of friction, dissatisfaction, and weakness in a union. Thus, Australian Federation only became possible when the growth of Victoria annulled the preponderance of New South Wales. The exceptional case of Germany does not counterbalance these indications.

At the present time there is one predominant partner—technically occupying a position of more than partnership—in the British Empire. But this inequality is gradually correcting itself, with the rapid growth of Canada. And meantime British constitutional methods are such as may succeed in tiding over this difficulty.

Subject Lands.—When a number of States, forming a homogeneous group, have at their common disposal either some dependent ter-

ritory or some unoccupied lands awaiting development, their united action, in administering such a common interest, provides a strong support of union. This appears in the case of the Dutch Republic, the United States, the Canadian Federation, the Modern German Empire, and the Argentine Confederation. The South African Union may be added, since the lands inhabited by natives are in some degree the concern of the whole Union : besides, provision is made for the future admission of other African territory into the Union. A similar factor in common action appears in the German Hansa ; for the settlements of German merchants in foreign towns were dependencies of the whole League. Obviously the administration of dependencies and the exploitation of vacant lands are in part economic activities exercised in common, since they involve questions of finance and of profitable expenditure affecting the whole body. There are no such common subject or public lands now in the British Empire. But some common action in administering the actual dependencies of Great Britain is not inconceivable in the future.

Sentimental and Interested Motives.—All the economic matters discussed in this chapter illustrate another point. Not one of these unions was formed or maintained solely or even principally by virtue of sentiment. In every case the union was formed either to remedy some inconveniences or to achieve certain definite objects which were felt to be conducive to the public welfare. And one union after another has been shaken by dissidence and strife when the union was felt by any part not to be effecting its object of practical benefit to all. In Germany and in Switzerland, the religious controversy of the sixteenth and seventeenth centuries was not the only cause of intestine struggles. In the Dutch Republic, the recurrent civil strife was mainly due to social, economic, and political discontent. In the greatest and most vigorous of these unions—the classical type of successful federation—when a serious dissidence arose, the sentiment of three generations of union in war and peace did not suffice to avert an attempt at secession, leading to the greatest civil war of modern history. In order to maintain stability, the union of a group of States must rest on a general conviction that the maintenance of the union is practically beneficial to all the States. The support of Government, whether in a unitary State or in a national union of States, must be found in interest, that is to say, in the sense of public welfare. The justification of all government is the benefit

of the people. This truth is here stated generally, as indicated by the uniform evidence of historical examples. In the next chapter it will be re-stated as illustrated by present conditions in Greater Britain.

CONCLUSION OF THE HISTORICAL ENQUIRY.

Before entering upon the second part of the thesis, it is well to re-state distinctly the lesson indicated by this historical enquiry. The conclusion is that *self-governing States have failed to co-operate permanently for purposes of defence without co-operating also for the purpose of trade. Thus the lesson of History is that, in the past, commercial union has been generally found to be an indispensable condition of defensive union.*

PART II.

TENDENCIES OF THE AGE.

“History without Political Science has no fruit.”—*Seeley*.

“Cobden had the philosophic gift of feeling about society as a whole and thinking about the problems of society in an ordered connexion with one another.”—*Morley*.

“Historical study does more than anything else to lead the mind to a definite political creed; but at the same time it does at least as much to hinder the growth of political partizanship.”—*Freeman*.

CHAPTER VII.

GENERAL TENDENCIES.

[*Note.*—This part of the enquiry is the most difficult to handle in a scientific spirit. The student must strive particularly to treat all observations in a co-ordinate manner, regarding the tendency of the time as a matter of evolution, to be traced in continuous connexion with what has gone before. It is impossible to avoid the use of controversial works, but he must treat them simply as quarries of facts, suspending judgment concerning the conclusions of their authors.

An examination of tendencies naturally falls into two parts, first the trend of political movements throughout the world—this is the subject of the present chapter; secondly the trend of opinion, of legislation, and of political suggestion or action in Great Britain and the Dominions—this will be treated in the other three chapters of this Part.

Since every union or federation of States is, by its very nature, in a greater or less degree defensive in character, all the unifying or federal tendencies of the age must first be briefly indicated. Then the commercial aspect of these movements must be reviewed.]

“We live in a Federal Age”, wrote Dilke in 1890. It would be more accurate to say “an age of unification”. Since the middle of the nineteenth century, there has been a tendency to strengthen the functions of central authority in every group or system of States united by a political bond. Whether the central authority is moulded into a federal or a unitary form, or into a compromise between the two, is usually a matter partly of geographical convenience, partly of ethnological and political aptitudes. The line separating the two systems cannot be very sharply defined. Between the extremes of complete Federation and complete Unitary centralisation there are many gradations, which shade imperceptibly into one another, the gradations consisting in the degrees of State autonomy or provincial administration or local government.

The year 1848 brought the first effective Federation of the Swiss Cantons. A dozen years later the United States plunged into a civil war, to vindicate the predominance of Federal rights over State rights. This victory has been sanctioned and strengthened by later events and movements, especially by the great international position assumed during the last sixteen years by the United States: this position, which renders necessary a strong central executive, gives an access of authority to the utterances of the President and the Secretary of State, and thus strengthens the monarchical element in the Constitution of the United States.

Hardly was the American war concluded, when the union of the Provinces of Canada into a federated Dominion was accomplished. Four years later (1871) came that proclamation of the German Empire which was the conclusion of half-a-century of effort. Twelve years later was assembled the Australian "Inter-Colonial Convention", the first public official step in the movement which was to lead to the Australian Commonwealth. Next came the union of the South African States. Some partial steps have also been taken towards the union of some of the West Indian Islands into larger groups. The unification of Italy and the unification of Japan are movements which, each on different lines, illustrate the same tendency. Japanese unification was achieved in the face of immense geographical and social obstacles; and its object was distinctly self-defence. The unification of New Zealand, through the abolition of the "provincial" governments in 1874, opened the way in that archipelago to national growth, without which national schemes of defence are impracticable.

These unions naturally have their fiscal or commercial aspect. The result of the Civil War in the United States merely perpetuated the previously existing customs union or fiscal union of all the States. The formation of the German Empire, by providing a Federal Government for the members of the *Zollverein*, strengthened and permanently established that union, vastly enlarging its activities in all matters of trade and communication. On the other hand the formation of central Governments in Canada, in Australia, in South Africa, in Italy, and in Japan involved in each case the abolition of all internal custom-houses or tolls (other than municipal) and the creation, in each case, of a comprehensive fiscal union.

The three Scandinavian monarchies have a partial judicial union, besides a common mint and a postal union, the two last being matters connected with trade. There is now a movement on foot in the direction of a closer union to start from these beginnings.* It is noticeable that the dissolution of unsatisfactory terms of partnership between two of the members was a necessary antecedent to these proposals of union.

Even in the West Indies, where the difficulties of a general union or federation appear to be insuperable under present conditions, a commercial convention has met representing all the British dependencies in that region: and here seems to be a possible germ for some general co-operation of all those communities.†

Finally, there are indications of a desire for commercial union among the South American Republics of the Andine region.‡ Other schemes of permanent alliance or defensive union in South America, although not wanting in significance, have not been carried beyond the stage of tentative discussion.

* COPENHAGEN, JUNE 1, 1913.

King Gustav of Sweden, escorted by four torpedo-boats, arrived at Copenhagen to-day, and was received by King Christian. King Gustav will stay here until Tuesday as King Christian's guest. The liveliest interest is shown by the whole of Scandinavia in the visit, in that the idea of an inter-Scandinavian union is now much discussed. Already it is pointed out that the three Northern countries have now a mint and a Postal Union, and the civil judgments of each country are enforceable in the others.—*The Times*.

† When a Canadian Reciprocity Agreement was first suggested, a general council of representatives from the various islands and possessions met in Barbados to discuss among themselves and with Canadian delegates the advisability and feasibility of such a scheme. Perhaps in this Council we may see the beginnings of a general council which may meet for the discussion of questions of internal as well as external importance.—*The Times*, May 24, 1912.

‡ VALPARAISO, MAY 28, 1913.

General Montes, the President-Elect of Bolivia, who is passing through Chile, in conversation with various eminent men, urged the convenience of a Customs confederacy between Chile, Peru, and Bolivia. Emphasizing the need of Bolivia for an outlet to the Pacific, he hinted that Chile should cede Arica and the land on both sides of the Arica-La Paz Railway. Public opinion, however, is against this, in view of the need of isolating the nitrate region from the neighbouring Republics. Otherwise, opinion seems unanimous in the desire for closer relations with bordering countries. The welcome given to the Chilean delegation at the inauguration of the Arica-La Paz Railway has been most cordial, and in itself signifies the desire of both nations to draw closer together.—*The Times*.

CHAPTER VIII.

EXISTING LINKS BETWEEN GREAT BRITAIN AND
THE BRITISH SELF-GOVERNING STATES.

Before considering present tendencies in the matter of co-operation in Greater Britain, it is necessary to realise actual conditions ; since it is of little use to examine developments, unless we first clearly know what it is that is being developed.

SENTIMENT AND OPINION.

It is a commonplace to say that the principal bonds between Great Britain and her daughter-nations are bonds of sentiment, of domestic affinity, and affection ; that the links are spiritual threads rather than solid legal chains ; that these communities are bound together by identity of origin and consequent similarity of character and of national ideals, by common memories and common aspirations, by a general identity or similarity of religious and social views or tendencies, by community of speech, of literature, of customs, of family life, and modes of thought ; in short, by those elements which usually contribute to form nationality within the frontiers of a self-contained national territory.

This view implies that the only obstacle to a visible and compact national unity is a geographical accident, that the nation is only divided by the estranging sea. Here lies the crux. All the elements of nationality are present except one, which has been generally deemed the most essential of all, namely, inclusion within a self-contained national territory.

Moreover, the often-repeated doctrine concerning the general identity or similarity of institutions and ideals in all the Britains, and concerning the racial and psychological bonds uniting them, is indeed a true doctrine ; but it is not the whole truth. For the purpose of clear elucidation—not for the purpose of damaging criticism—two observations may be made. In the first place, similar language

is frequently used concerning the relations between Great Britain and the United States by Englishmen and Americans of competent knowledge and authority. In fact, many of these Anglo-American speeches would serve, with merely a change of name, for patriotic expressions of British inter-State amity. This comparison, while by no means damaging to the force and truth of the sentimental and racial doctrine of imperial unity, nevertheless does detract considerably from the scientific value of that doctrine as an attempt to define the foundations of permanent and binding political conditions. It is worth noting that a United States fleet, on a recent visit to Australia, was there received with an enthusiasm at least equal to any contemporary manifestation of British feeling.* And, indeed, in one important matter, the attitude towards the yellow races, Australia and New Zealand are more in sympathy with the United States than with Great Britain.†

In the second place, this racial, social, and sentimental definition can only be accepted with reservations. For it does not completely apply to the French of Canada or to the Dutch of South Africa. It is not to be expected that the Canadian descendants of Montcalm's men should be inspired by the same inherited traditions, the same racial sentiments, as the descendants of those who fought under Wolfe. And it is frequently remarked by observers that the patriotism of the French in Quebec is Canadian rather than British, and that any schemes of closer imperial union are not viewed by them as matters of sentiment at all. They are viewed as practical matters, to be judged by asking the question, "Are these things useful and good for Canada or not?" The most that can be said about French-Canadian feeling in this respect has been said by Mr. Benians:—

* Mr. Arthur Myers, Minister of Finance and Defence in the last New Zealand Cabinet, said: "The effect of this on New Zealand itself is that to-day we find ourselves having to rely for naval protection on a Power which is now bound to England by a treaty of alliance but which may become in time by a turn in events not a protection but a menace. We are not content to leave our protection in the hands of the Japanese Fleet. Therefore, we have resolved to make a start in having a navy of our own, under our own control, manned by our own people, and in time, we hope, built in our own yards."—1913.

† This is true with regard to attitude and the general inclination of policy. On the other hand, in respect of actual foreign policy at the present time, it should be stated that the existing Treaty with Japan embodies an understanding reached between Great Britain and the Dominions at the Imperial Conference of 1911.

“The French community has acquiesced in, if it has not sympathised with, every step in the expansion of Canada, and even in uncongenial imperial activities and ambitions.”*

Nor can it be argued that the adhesion of the Dutch Afrikanders to the British Empire is the result of warm affection and inherited sentiment. Both French in Canada and Dutch in South Africa cling to their own language and their own ways. Indeed, their acquiescence in the comprehensive British system of which they form a part is mainly due to the fact that their language and native institutions—which are not British—are respected by British authority. Both these non-British communities were drawn into the British body-politic under pressure of events uncontrollable by themselves. Both of them accept their present position because it suits them to do so.

This brings us to the main point. Sentiment, tradition, and conservative historical feeling are not, in themselves alone, adequate bases for any permanent system of government. The object of government is the benefit of the governed, and no constitution has the right to subsist unless it fulfils that condition. The only adequate justification for the maintenance of the political bond between the States of the British Empire is the conviction that this bond is beneficial to these communities. If at any time it can be demonstrated that complete independence would be a better system of government for the autonomous States, then the very *raison d'être* of government demands that the better system be adopted. No Government has the right to survive its usefulness.

In this matter the example of the North American Colonies is rightly regarded as the classical example. In 1760 the union between Great Britain and those colonies appeared indissoluble. The conquest of the French in Canada removed the most potent motive for the continuance of that union and prepared the way for its dissolution. A century later the American Union itself was only saved from dissolution over a domestic question by civil war. The unforeseen always happens; and a union, in order to be permanent, must be strong enough to withstand unexpected shocks and those divergences of sentiment which must inevitably occur. It must be capable of resisting any

* *Camb. Mod. History*, Vol. XI.

blow, short of those elemental catastrophes which change the face of the world and introduce new eras.

It should be noted that serious differences have lately occurred between the Federal Government of the United States and the State Government of California about Californian legislation concerning Japanese immigration. The Civil War in the United States has placed the Union on a basis firm enough to resist the dangers of such dissidence: but the incident is a warning that any political union must be placed on a basis strong enough to withstand such cases of divergence, which are quite sure to arise; and a firm basis cannot be constructed of sentiment alone. A less serious divergence concerning the same matter, between British Columbia and the Federal Government of Canada provides another warning. Sentiment did not suffice to unite and to hold together the Pacific and the Atlantic provinces of Canada. "Through many difficulties", says Mr. Benians, "the little group of British Colonies had been steered into the broad path of their common interest." Dilke has observed the business-like character of the colonies, and declares that their first question concerning any proposal is "What is it for?" In 1883 Seeley remarked:—

"There are in general three ties by which States are held together: community of race, community of religion, community of interest. By the first two our colonies are evidently bound to us, and this fact by itself makes the connexion strong. It will grow indissolubly firm if we come to recognise also that interest bids us maintain the connexion."

As has been already indicated, the community of race and of religion is not so complete as Seeley states. So much the more telling is the last sentence of the quotation.

Ireland is a standing example that local sentiment may be stronger than the sentiment of union; that the removal of grievances and the enjoyment of the benefits of government are the true bases of content and loyalty. The fact is that patriotic sentiments may pull opposite ways. We have been watching the growth of nations: we constantly hear of the national dignity of Canada, of Australia, of South Africa, of New Zealand. Both common sense and repeated experience warn us that at some crisis the nearer sentiment of local nationality may clash with the more comprehensive sentiment of

union and imperial attachment. In order to meet such crises, our union must be strengthened by general belief that it is beneficial, and by a constitutional framework which may help to give it stability.

No civilised government can rely mainly upon popular sentiment. Every government is constantly striving to convince the citizens of its usefulness and beneficence, and to justify its existence by beneficent activity. And union between remote States, owing to its very difficulty, must rely more than all upon the consent and conviction of the people that the union does them good.

During the past twenty years there has been a very noticeable growth in the sentiment or body of opinion which unites the British self-governing States. The terms of the present thesis illustrate this growth, which is treated in the next chapter. Well, it is constantly avowed in the Dominions that this growing sentiment rests on the conviction of the benefits conferred by union. The fact is that the Dominions, in growing to national self-consciousness, have realised their position, and have become convinced that their strength, security, development, and prosperity are aided by the bond between them and Great Britain. Accordingly they have become more anxious to preserve that bond, because they are convinced that it is good for them. Thus, to those who hold that the Empire is held together not by interest but by sentiment, the obvious reply is that the sentiment which holds together the Empire is supported and nourished by interest, that is to say by a better instructed concern for the public welfare*. The existing union is built upon good and useful work done in the past. The continuance and development of that union must rest upon the continuance of good and useful work.

It is impossible to dissociate sentiment and opinion. The word "sentiment" seems rather to imply feelings which resemble

* Sir Frederic de Waal, in the course of his speech, said:—"If tomorrow there were no British Navy, the liberty of Canada and Australia would be in danger, and the liberty of South Africa would be even more so, because of the important strategic position which they occupied on the great trade route to the East." Sir Frederic de Waal was formerly a stalwart of the old Cape Bond.—*The Times*, 1913.

natural and innate affections, whereas the word "opinion" denotes the result of a deliberate process of thought. Yet in fact most people hold their political opinions or beliefs as if they were matters of sentiment. The average man, when his opinions are impugned, is much more ready to reiterate them with warmth than to defend them with reason. He talks as if he must know by intuition what is intrinsically right and just, when in fact he is merely stating what he believes to be expedient. And what is true of individuals is still more true of crowds and communities of men. Sentiment and opinion support one another, pass into one another, and are indistinguishable from one another,

Accordingly, the force and significance of sentimental bonds is not here denied. On the contrary, they are emphasized. To deny them would be to deny in great part the ethical bases of society. But to dwell principally on considerations of sentiment, apart from the solid reasons which support that sentiment, is a rhetorical and literary method rather than a scientific one. The student of politics has to deal with the development and working of institutions, and he must view characters and motives with reference to the institutions through which these motives express themselves.

It is important therefore to state clearly what are the technical and constitutional bonds which actually link Great Britain and the self-governing Dominions. And here the difficulty occurs which Bagehot stated, writing forty years ago about the British Constitution: "There is a great difficulty in the way of a writer who attempts to sketch a living Constitution . . . The difficulty is that the object is in constant change". Thus the writer who describes existing constitutional arrangements is inevitably led to attempt some estimate of their tendencies and of movements which are actually in progress.

CONSTITUTIONAL LINKS.

(I) *The Crown*.—The King of England, Scotland, and Ireland is also *Rex Britanniarum omnium*. The coinage of the whole Empire bears his effigy, and all executive acts are performed in his name. For the present topic, the most interesting function of monarchy is the nomination of Governors or Viceroys in each of the self-governing Dominions. The method of their nomination need not here be

examined. The point is that they exercise the functions of constitutional monarchy, that they are visible embodiments of the monarchical principle accepted by all the States, and that they represent the person of the Sovereign. A curious proof of the value attached to this institution, and particularly of the sense of dignity pertaining to it, is to be found in Australia. When the six Australian States formed a Federal Union or Commonwealth in 1900, it was arranged that Royal Governors should continue to be sent from Great Britain to each of the six States. The arrangement is an incongruous one, adopted in deference to local sentiment. The Australian States preferred not to follow the more logical example set by the Canadian Federation, where the Lieutenant-Governors of the Provinces are Canadians nominated by the Governor-General of Canada.

(2) *A Supreme Court of Appeal*.—The Judicial Committee of the British Privy Council at present serves as a Court of Appeal for all the Dominions. The existence of this tribunal may be the means of providing an inter-State Court of Appeal bearing a more comprehensive character. And this is actually being done by the inclusion in the Judicial Committee of judges from the Dominions. There are now seven oversea members of the Judicial Committee of the Privy Council.

Lord Haldane has since suggested a closer judicial unification, proposing that the "King in Council", that is to say, the Judicial Committee of the Privy Council, shall be the Supreme Court of Appeal for the whole Empire, including Great Britain. After dwelling upon the great history, the high repute and the convenient elasticity of this tribunal, he suggests that the Court might, upon convenient occasion, sit in several "divisions" in different parts of the Empire. For instance, in order to settle some Canadian case, it would be easy to transport two English judges to Canada, who might in session with two Canadian judges and an Australian judge constitute the Judicial Committee of the Privy Council, and thus sit as a "division" of the Supreme Court of the Empire. The Lord Chancellor's striking suggestion demands to be recorded here as indicating possibilities in the way of union. But it is best here to treat the proposal merely as an indication of possibilities.

(3) *Veto on Legislation*.—The Crown, that is to say the British Government, which now acts, perhaps provisionally, as the Imperial Government, has theoretically the right of veto on legislation by

the Dominion Parliaments. Practically this privilege only amounts to the power of disallowing measures which are at variance with the international obligations of the Empire. Development in this department of Imperial supervision is a more complicated and delicate matter, and is connected with the question of the Treaty-making power and the direction of Foreign Policy. Development in all these kindred matters must go together. Means of development may be found through the quadrennial Imperial Conferences, through the permanent Committee of Imperial Defence, and perhaps even through the Imperial Court of Appeal; for, as the example of the United States shows, a Supreme Tribunal, by its interpretation of laws and of the Constitution, may exercise a check upon legislation and practise something of a legislative and even of an executive function.*

(4) *The Imperial Conference.*—This quadrennial meeting of the Prime Ministers of all the self-governing States is now an established institution. It has no technical authority, no powers conferred upon it. It is merely a council meeting for suggestion and discussion. But its significance is beyond measure, for it is in effect a meeting of the Heads of States, that is to say, of those magistrates who are

* The Lord Chancellor delivered the judgment of the Judicial Committee of the Privy Council in the appeal by the Attorney-General of the Commonwealth of Australia and members of a Royal Commission on the sugar industry from a decision of the Australian High Court. Lord Haldane dealt at length with the Constitution of Australia, which he said was based on the principle established by the United States, and held that the Royal Commissions Acts were *ultra vires* and void so far as they purported to enable a Royal Commission to compel answers or to order the production of documents. The Lord Chancellor, in now delivering their Lordships' judgment, said:—"The question raised is one of much importance. It turns on the true interpretation of the Constitution of the Commonwealth of Australia. It is only in exceptional cases that a question of this nature is submitted to the King in Council. Section 74 of the Constitution Act of 1900 provides that no appeal shall be permitted from a decision of the High Court of Australia upon any question, however arising, as to the limits *inter se* of the constitutional powers of the Commonwealth and any State or States, or as to the limits *inter se* of the constitutional powers of any two or more States, unless the High Court shall certify that the question is one which ought to be determined by the Sovereign in Council. In the present case the High Court has taken the exceptional course of so certifying. The reason is that the four Judges of that Court who heard the case were equally divided."—*The Times*, December 13, 1913.

most responsible both for administration and for legislation in each State. At present, its work is tentative; but the possible scope of its activities is immense. It is in the nature of a Convention, that is to say, an Assembly exceptional in character, not formally known to the Constitution. But it must be remembered that the council which drew up the Constitution of the United States was a Convention which had no power to enact anything. It simply made recommendations which were accepted and turned into law by the legislatures of the several States. Moreover, at any time the members of the Imperial Conference may have some particular powers conferred upon them by the States which they now informally represent. Or, by means of the telegraph, the Imperial Conference may be turned into a Conference of Cabinets concerning any great constitutional problem.

At the last two Imperial Conferences suggestions were made towards giving greater continuity to this institution by establishing in London a permanent administrative machinery which should be in the nature of a Government office and which might arrange subsidiary or partial Conferences during the intervals between the quadrennial Conferences. Something has been done in this direction through the establishment in London of a permanent Secretariat to the Imperial Conference.

(5) *The Committee of Imperial Defence*.—This was at first a purely British body: but by the inclusion of "Colonial" members it is assuming a more comprehensive and representative character. Statesmen from the Dominions have frequently taken part in its sittings, and it is now proposed that the Dominions shall appoint permanent representatives upon it.* Although this Committee possesses only the power of consulting and advising, yet it is an officially constituted Council, forming as it were a part of the Executive, in touch with the Foreign Office, the Colonial Office, the War Office, and the Admiralty. The elasticity and practical expansive scope of such consulting Committees appear in the fact that some members of the Imperial Conference of 1911

* Wellington, June 10, 1913.—Colonel Allen, Minister of Defence, entertained on his return from England, said that the British Premier had invited New Zealand to appoint a permanent representative on the Committee of Imperial Defence. A full acceptance would be inconvenient, but they would accept as far as possible.—*The Times*.

attended as individuals some sessions of the Committee of Imperial Defence. It is known that these secret sessions passed fully in review the whole subject of Imperial Defence and of British Foreign Policy throughout the world. The understanding so reached marks an epoch in our inter-State relations. This is proved by the fact that the Treaty of Alliance with Japan, renewed soon afterwards with some modifications, expresses in effect a concurrence of the responsible Ministers of all the British self-governing States. Formally that Treaty was the work of the British Foreign Office; but in fact the Dominions and the Mother-country spoke to the world for the first time with one voice.

(6) *The Imperial General Staff*.—In 1890 Dilke wrote “The very existence of a general staff would constitute a form of Imperial military federation”. And he goes on to sketch the work which should be done by a General Staff much on the lines which are being actually followed to-day, as the following paragraph shows:—

“The Imperial Conference of 1911, in its military effect, did something to carry out the principles of co-operation already agreed to at previous Conferences. The co-operation of Home and Dominion military forces in the general defence of the Empire was once more affirmed as a working proposition, and it was agreed that the local sections of the Imperial General Staff should make arrangements for such co-operation under the orders of their respective Governments and in communication with the Central Section at the War Office on which the Dominions were to be represented. This latter part of the plan was carried into effect on April 1 of this year, when a Dominions Section of the General Staff was formed at the War Office. The Section consists at present of one officer from Canada and one from Australia, and it will be increased from time to time by the appointment of representatives from other Dominions. The duties of the officers in this Section will be to study our system of education, training, and staff duties; to learn the latest ideas on the subject of strategy and tactics; to supply the Chief of the Imperial General Staff with information on local matters in their respective Dominions, and to correspond on all such matters with their local chiefs. . . .”

“The subjects which the local sections of the Imperial General Staff should deal with have been agreed upon, while the relationship and best means of keeping touch between the Chief of the Imperial

General Staff and local sections have been settled in principle. Effect has been given to the proposals of 1907 and 1909 respecting the education of officers. In this important matter the Oversea Dominions have adopted our examinations in every detail, and the Conference of 1911 was able to record an opinion that the action taken had resulted in a marked improvement in military education. Courses of instruction have been arranged for Dominion officers in the United Kingdom and in India, and places will be reserved for them at the Staff Colleges of Camberley and Quetta. There are already six officers from the Dominions at Camberley, and the numbers will be increased as accommodation becomes available. Finally, the terms upon which the services of the Inspector-General of Oversea Forces can be invited by Dominion Governments, have been agreed upon."—*The Times*, May 24, 1912.

(7) *Conference on Imperial Defence*, 1909.—In 1909 a Conference on Imperial Defence met in London, attended by delegates from all the Dominions. Technically, this was a "Subsidiary Conference", assembled under a resolution of the Imperial Conference of 1907. In effect it was a Convention, specially assembled for consultation between the British Government and the Governments of the Dominions on the subject of Defence. The sessions were private: but the Prime Minister announced in the House of Commons the decisions which had been reached, subject to the approval of the various Parliaments. "In military affairs, the forces of the Crown, wherever they were, were to be so organised that, while preserving the complete autonomy of each Dominion, their forces could be rapidly combined into one homogeneous Imperial army." This rather vague summary was followed by a definite statement as to naval policy. But since this naval scheme has been much modified in practice owing to changed conditions, its details may be omitted here.

This passage of history illustrates the great elasticity, the immense unifying value and the possible scope of such occasional Conventions and consultations. In the very wide sphere of executive action, such consultations may be decisive; and it should be noted that, subject to the check of the money-voting authority, the principal functions of Government are executive, including the entire disposition of armed forces.

(8) *Citizenship*.—It may seem almost superfluous to note the common citizenship of all white "British Subjects". An

Australian, on landing in Canada or in the United Kingdom, finds himself at once by natural right in possession of the same status and privileges as the "native-born" citizen. But it is necessary to mention this point for two reasons. In the first place, there are certain difficulties and restrictions attending the exercise of this common citizenship: secondly, this legal participation of civil rights provides another means of concerted and equal action on the part of all the States. For an agreement has been practically concluded between Great Britain and all the Dominions, that henceforth each Dominion shall be competent to grant letters of naturalisation which shall be valid throughout the Empire.

(9) *Diplomatists and Consuls.*—There is one Diplomatic Service and one Consular Service for the whole Empire. These public services are supported by Great Britain, and all appointments are made by Great Britain. But the main point is that, in whatever part of the world an Australian or a Canadian may find himself, the British Minister is his national representative, and the British Consul is his legal and commercial adviser.

(10) *Defence and Foreign Relations.*—As the present thesis shows, this part of Government is passing through a process of discussion, of development, of experiment. With regard to international affairs, the technical position still is this, that the sole channel of national expression is the British Foreign Office. But in some cases separate treaties are now made on behalf of the several States as their circumstances differ; and in response to the request of Canada at the Imperial Conference of 1911, Great Britain has denounced some of the old treaties which limited the fiscal freedom of the Dominions. One instance is noted below.*

No part of the Empire can remain neutral in a war in which other parts are concerned; since obviously any part of the

* May 9, 1913.—Eighteen months ago the treaty of friendship and commerce between Great Britain and the Argentine Republic, which was signed as far back as February 2, 1825, was repudiated by the former on the ground that the autonomy granted to some of the British colonies did not permit it to remain in force, and that the provisions were out of date. Another treaty, affecting Great Britain alone, was presented by the British Minister.—*South American Journal.*

Empire would be liable to attack by the enemy. But each Dominion is now working out its scheme of defence. The co-ordination of these schemes is the military side of the problem, which is discussed on its political side in this thesis.

ECONOMIC BONDS.

These are the chief constitutional bonds between the self-governing States. But there are certain other bonds of an economic kind, which are official and executive in character: they may therefore fairly be reckoned among the technical and tangible links of Empire:—

(a) *Imperial Penny Postage*—an economic measure deliberately designed to facilitate communication between the British system of States. The fact that in some instances it has been also extended to other countries does not affect the argument, but perhaps rather suggests the ulterior scope of such measures. It is obvious that this postal agreement is in itself a notable measure of commercial co-operation in two ways. In the first place, such things as are sent by post—including newspapers—constitute in themselves a considerable branch of commerce. Secondly, every additional facility given to communication means facility and encouragement to trade of every kind. It is noticeable that, whereas printed matter from the United States used to enter Canada at a cheaper rate than from Great Britain, the postal rates from Great Britain have now been reduced below that cheaper rate. This lowering of rates is in itself commercial co-operation of an intimate kind; so important is the trade in ideas disseminated by publication.*

(b) *Subsidies* granted to mail-steamers sailing between Great Britain and the Dominions are much higher than those paid to foreign-bound mail ships.

* The fact that this arrangement is likely to be discontinued does not cancel its significance. Such matters must be constantly liable to re-adjustment; and in any case this is only one instance of economic co-operation out of many.

(c) *Inter-State submarine cables*, laid with the help of Governments. This form of co-operation is best illustrated by the following extract:—

“ In August, 1898, after a local conference in Sydney, the Governments of New South Wales, Victoria, Queensland, and New Zealand declared their readiness to pay four-ninths of the cost of the Pacific enterprise if the British and Canadian Governments would accept responsibility for the remaining five-ninths. This, in April, 1899, Mr. Chamberlain expressed himself unable to do, since the Pacific Cable was ‘ a matter of much greater importance to Australasia and Canada than to the United Kingdom ’, which supported it only on broad Imperial grounds. He declared himself ready, however, to offer an annual subsidy not exceeding £20,000 towards any deficiency in the Pacific receipts. To the Colonial Governments this decision was a serious blow, mainly because they would be unable to raise the requisite capital on equally advantageous terms without the participation of the British Government. Mr. Chamberlain therefore consented to reconsider it, and in July was able to announce that his Government would share the remaining five-ninths of the cost with Canada, and that the enterprise would immediately be handed over to a Board of Control to consist of three members for Great Britain, two for Canada, and three for the Australasian Colonies. This was the form in which the enterprise was eventually realized. . . . The Pacific Cable was laid two years later by the Governments of Great Britain, Canada, Australia, and New Zealand in partnership, the stretches running from Vancouver to Fanning Island, from Fanning Island to Fiji, from Fiji to Norfolk Island, from Norfolk Island to New Zealand, and from New Zealand to Australia. At a later date another length was laid from Norfolk Island to Australia direct ”.—*The Times*, May 24, 1912.

The commercial side of this co-operation between the States is obvious. The British Postmaster-General, returning now from Canada (October, 1913), speaks of Canadian “ public feeling in favour of the construction of a State-owned Atlantic cable as a work of the first Imperial importance ”.—(*The Times*.) Other cables, which link parts of the Empire, have received large public subsidies, although they are owned by private companies.

(d) *Public Debts*.—When one of the Dominions floats a loan on the London market, that act in itself amounts to the deliberate creation of economic and commercial co-operation. Doubtless it is chiefly owing to motives of necessity, or at least of expediency, that

the money is usually sought in England rather than elsewhere. But the motive does not affect the result. In 1890, Dilke wrote: "Colonial debts do something to create the idea of imperial unity, and to knit the Empire together". The lending of money, with the payment of interest, is in itself a very important branch of trade in the larger sense of the word "trade"; but loans and payment of interest also mean trade in the narrower sense of the word, since the interest on loans is actually paid either wholly or in great part by the export of goods from the debtor country to the creditor country. This truth is illustrated by the whole system of Bills of Exchange and by the variations in the rate of exchange of currency between two countries.

(e) *Trustee Stocks.* Still more remarkable is the action of the British Government in adding "Colonial" Government Securities to the list of Stocks authorised for investment by trustees. This is a deliberate and definite measure of inter-State commercial co-operation—a measure undertaken in the interests of both participators in the arrangement; on the one side the interests of the British investor, on the other side the interests of the "Colonial" communities and taxpayers. This measure is the more noticeable, inasmuch as it imposes a kind of tax upon the people of the United Kingdom and provides a kind of protection for "Colonial" credit. For this enlargement of the list of Trustee Stocks has made it more difficult for the British Government to borrow, has depressed the price of Consols, and has tended to raise the rate of interest on new public borrowings in Great Britain. An instance may be given: there is no doubt that the advantage thus given to Colonial securities has increased the difficulty of financing Irish Land Purchase, and has thus caused loss both to the British taxpayer and to the Irish vendor of land, who accepts part payment of the purchase money in depreciated Government Stock. It is impossible to estimate how far these losses are counterbalanced, from the purely British point of view, by the enlargement of investments permitted to trustees. But the position, from the wider Imperial point of view, is this, that the United Kingdom has sacrificed something of its own credit in order to raise the credit of the Dominions and strengthen the economic bond between Great Britain and those States.

(f) *Guaranteed Loans.*—The British Government has sometimes guaranteed Dominion loans, thus lending British credit to the Domi-

nions. This was done for Canada in 1867 and 1873, and for South Africa in 1909. It may be noted that the object of the Canadian guaranteed loan of 1873 was concerned with trade and defence, besides its immediate object of aiding Canadian union. For it was raised to facilitate the construction of the Canadian Pacific Railway, which is an important link in the strategical and commercial communications of the Empire.

In fact, it might almost be argued that these economic measures in themselves supply an answer, in part at least, to the whole theme. The question concerns possible future co-operation between our self-governing States for purposes of trade. It may be answered that the self-governing States have already effected, for certain purposes of trade, co-operation of a close and permanent nature.

(g) *Consular Service*.—It may here be noted again that one consular body serves the whole Empire. Since the business of these consuls is largely commercial, here is to be found a certain degree of co-operation for trade purposes. It is true that all consuls are now appointed and paid by Great Britain; but the funds are partly provided by consular fees, payable by all citizens of the British States who have business to transact with any British consul.

(h) *Emigration* provides a kind of loose co-operation between the Governments of Great Britain and of the Dominions in the matter of advising, guiding, and assisting emigrants. The stream of British emigration which increasingly sets towards the Dominions rather than towards foreign countries is a distinct influence for union.*

* Ten years ago the majority of our emigrants still went to the United States. Canada was then only beginning to come into the field as a serious rival. In 1900 the United States took six times as many as Canada; in 1905 they drew level, and in the following year Canada forged ahead. She has since increased her lead so rapidly that last year she took three times as many emigrants from this country as the United States. The number had risen from 7,800 in 1900 to 62,000 in 1905 and to 135,000 in 1911; last year the actual number fell slightly by about 1,000, but the United States record, which had been 100,000 in 1907, dropped still more, down to 46,000. Nor has the new movement been confined to Canada. In the last few years Australasia has advanced still more rapidly. In 1905 the number of emigrants to Australia and New Zealand was about 7,000; last year it had risen to nearly 80,000, or just half as many again as to the United States. Thus Canada and Australasia between them absorbed last year more than 213,000 British emigrants, and our own Dominions took nearly five times as many as the United States. The other great Dominion—namely, South Africa—has shared in the movement, though to a much smaller extent.—*The Times*, 1913.

Since this emigration is fostered by State action, and since it is, in part at least, an economic movement which encourages inter-State commerce, it may be mentioned here, although no insistence is laid on its classification. Several oversea Governments give "assisted passages" and other aid to selected emigrants. The British Government ostensibly only assists by advice and information given through the Emigrants' Information Office; but emigration to the Dominions has also been organised and assisted by Unemployment Committees, which are official bodies disposing of public funds with the sanction of the Government.

There is no doubt that trade follows the lines of emigration. The principal reason is the demand of emigrants for the products to which they have been accustomed in their native country. But the encouragement given to shipping by emigration also facilitates trade along those routes. Thus emigration from Great Britain to the United States fostered trade between those countries. The diversion of that emigration towards the Dominions—a diversion partly due to State action—fosters trade with the Dominions.*

* The influence of emigration on trade is illustrated by the following extract from the report of the British Consul at Iquique for 1912. Its evidence is all the more valuable for being completely unconnected with the present topic. Obviously the statement that "Trade follows Emigration" is quite distinct from the much controverted assertion that "Trade follows the Flag". "It will thus be seen that the position of the United Kingdom so far as the trade of this port is concerned is satisfactory, but it would be surprising if it were otherwise in view of the fact that the trade of the province is dependent upon the nitrate industry, and a large proportion of the capital invested in this industry is British, it being estimated at £10,700,000 out of a total capital placed approximately at £27,500,000. The result is that British firms in Iquique maintaining British staffs represent the larger proportion of the nitrate companies, and the requirements of these companies' *oficinas* are ordered through their representatives in Iquique, who place them in the United Kingdom unless there is a distinct advantage in placing them elsewhere. A large volume of foreign trade is placed annually in the hands of British manufacturers at home, thanks to the enterprise of successful British firms established in foreign countries. British subjects abroad like to use the articles with which they are familiar both in their houses and in their business, and if they cannot obtain them where they reside they will send to the United Kingdom for them. If they be successful men of business, it stands to reason that not only their methods will be imitated by their neighbours, but the class of materials they use in their business will be sought after, and in this way the importation of British-made goods is increased in that neighbourhood."

GEOGRAPHICAL AFFINITIES.

Since much has been said about the geographical obstacles to union, it is well to point out some geographical conditions which favour union. It has been said that "The true theatre of History is the Temperate Zone". It may now perhaps be said that "The true theatre of History lies in the Temperate Zones". Of the three great land masses which stretch into the South Temperate Zone two are British. The territories of British Dominions lie mostly within the Temperate Zones; the chief exceptions are the northern tropical parts of Australia and of South Africa.* But in Australia the weight of population lies in the south, and the people are determined to fight against tropical tendencies and to make their whole Continent a home for Europeans, and for none but Europeans. This can only be done by avoiding the local influences which prevail in the Western Pacific and by cultivating the character which prevails in Northern Europe and in the northern part of North America. In South Africa the presence of an immense black population emphasizes the desire of the whites to be entirely North-European in character. And this predilection shows itself in the restrictions placed upon Asiatic settlement. Both in Australia and in South Africa this restrictive policy is partly due to apprehension of damaging competition in labour and trade. But a genuine and larger motive is a desire for the racial purity and vigour of the people. This is a case where sentiment, present expediency, and policy aiming at future welfare, overlap and merge into one another.

Thus there is a kind of geographical telepathy crossing the Equator and bringing the Dominions of the Southern Hemisphere into touch with Great Britain and Canada. This tendency is now in some degree taking form in the defensive and commercial co-operation, which is being effected across the Pacific between Australia and Canada.

* The fact that Northern Canada is Arctic does not affect the position, since that fact involves no racial problem.

CHAPTER IX.

TENDENCIES IN GREATER BRITAIN.

“The change . . . is a change not of particular details but of pervading spirit . . . What we call the spirit of politics is more surely changed by a change of generation in the men than by any other change whatever.”—*Bagehot*.

The examination of institutions in the last chapter in some degree anticipates the subject of the present chapter, since it is impossible to treat institutions without considering their mode of working and present tendency. But before attempting any conclusion, these tendencies must be examined with special reference to the problem of combined action in regard to foreign policy and trade.

Since Canadian Federation was completed, there have been in the British Empire two well-marked tendencies—apparently contradictory but in fact complementary to one another—namely the movement towards greater independence of the individual States and the movement towards closer union between the States. The movement towards independence means gradual emancipation from British control, the Dominions assuming more and more the character of sovereign States. The movement towards closer union means the voluntary action of the Dominions, acting in this matter as sovereign States and seeking to strengthen their position by supporting one another. The second movement follows from the first and is illustrated by the history of union within the several Dominions. For the separation of Ontario and Quebec preceded the union of all Canada: before the Australian States could unite, New South Wales had to surrender her claims to primacy among them: in order to effect South African Union, Cape Colony was obliged

to make similar concessions. In the same way, Great Britain has to loose the Dominions from leading-strings before she can grasp their hands as equals.

The movement towards independence is best illustrated by comparing the Federation of Canada in 1867 with the Federation of Australia in 1901. The latter movement is both more democratic and more independent in four respects: (1) The mode in which the Constitution was drawn up; (2) The provisions for its amendment; (3) The choice of Senators; (4) Appeals to the Privy Council.* On the other hand the complementary tendency towards union by other means appears in the preceding chapter. Both tendencies are illustrated in Dilke's epoch-making books. In 1866-7 Dilke saw in the movement towards Australian Federation a probable movement towards independence and found no indication of any political understanding between Australia and New Zealand, but rather an evident antipathy. Twenty-three years later, in 1890, the same writer depicts a different state of opinion. Yet even at that date he writes, "Australian opinion is more apathetic than is even Canadian, with regard to what in England is called Imperial Federation", and he notes that educated young Australians seemed on the whole to favour separation.†

The views expressed at the Imperial Conference of 1911 indicate how far colonial opinion has moved in the direction of union since Dilke wrote. It is true that in tracing the several unifying movements in Canada, Australia, and South Africa we have been watching the birth or development of nations. Yet this growth of local nationality has been accompanied by a growing desire in the Dominions for closer co-operation both in defence and in trade, and for a more efficient machinery of co-operation. This movement illustrates Dilke's remark that "The separation of the Colonies would bring one great advantage, namely the possibility of the virtual federation of the Empire". The Dominions now seem to be conscious that they have achieved such a degree of separation as may render possible virtual confederation. This double consciousness, first of national

* See Prof. Egerton, *Federations and Unions*.

† *Problems of Greater Britain*, Vol. II, p. 483.

dignity, then of the need for the machinery of closer co-operation, has been plainly stated by Mr. Borden. In a speech at Toronto he said :—

“ Let me make one point clear. Canada, leading in that respect, and the other Dominions of the Empire established three-quarters of a century ago the principle of self-government, which has since developed into the complete control of our own affairs that to-day we enjoy. In one respect only we have failed to attain the full status of nationhood. This was clearly pointed out by Mr. Edward Blake in 1874, when he said that our Government should not present the anomaly it now presents of a Government, the freest and perhaps the most democratic in the world with respect to domestic and local matters (in which we rule ourselves as fully as any nation in the world), while in foreign affairs—our relations with other countries, whether peaceful, commercial and financial, or otherwise—we may have no more voice than the people of Japan. . . . Those whom those questions concern must always reckon with the inborn feeling in the Canadian breast that a British subject living in this Dominion must ultimately have as potent a voice in the government and the guidance of this world-wide Empire as the British subject living in the United Kingdom. Whether our home is in the British Islands or in Canada, we must be equals before the King. The full privileges, as well as the full duties and responsibilities of citizenship are the right of the Canadian people.”—*The Times*, Sept. 16, 1913.

It is clear that, in colonial opinion, co-operation for defence can only be effectively carried out by means of co-operation for the guidance of foreign policy.* This means some kind of central Executive existing for the purpose of one most important branch of Government, an Executive authorised by all the self-governing States. Dr. T. J. Lawrence lately remarked, “ A Power can no more be neutral in part and belligerent in part than a man can be married in part or single in part”, and he proceeds to urge the need of a central body to decide “ the momentous issues of war, peace and neutrality.” But the decision of these momentous issues obviously implies a constant supervision and guidance of the whole course of foreign policy, upon which these issues depend. Sir Joseph Ward clearly

* The Imperial Conference of 1911 actually achieved, in some degree, a kind of temporary co-operation in the guidance of foreign policy.

grasped this truth when he advocated an "Imperial Parliament . . . limited to foreign policies, defence, and peace or war". Whether a "Parliament" be created or some smaller Executive body, in any case foreign policy cannot be excluded from its supervision.

The British mode of constitution-making is to use and develop existing institutions. Our Education authority springs from an Order in Council appointing in 1834 a Privy Council Committee for Education; and the Cabinet itself has a still more informal origin. Thus, it may be noted that, through the Imperial Committee of Defence, the self-governing States are already co-operating in an unobtrusive and consultative fashion for purposes of defence, while the periodical Conference of Premiers provides a means of checking, guiding, or extending all such action. It has been officially stated by the Prime Minister in Parliament that the Defence Committee exists merely to advise the Government on tactical and strategical questions. This statement is technically accurate, but it hardly describes the essential realities of the case. For the Imperial Defence Committee is an assembly of statesmen, including some military experts; and when its meetings are attended, as in 1911, by the Premiers of all the self-governing States of the Empire, it is impossible that its deliberations should be confined to tactics and strategy in the purely military sense. It cannot help considering large political strategy besides. When questions shall arise in the future resembling such former problems as the acquisition of the Cameroons, the purchase of Delagoa Bay, or the delimitation of the British Guiana frontier, then such questions cannot fail to be discussed by the Imperial Defence Committee, since the dangers to be incurred by any course of action in such cases are problems of defence. But they are also questions of foreign policy. Whether such matters are to be treated by a strengthened and developed Defence Committee or by some more comprehensive central authority, is immaterial to the main argument, although it is an important practical question of administrative machinery. It should be noted that the Cabinet itself acquired its powers by gradual assumption on its own part and by concession or acquiescence on the part of the Crown, the Parliament, and the people.

The question remains whether it is possible to exclude questions of commerce from the discussion or supervision of foreign policy.

It has been already argued that such exclusion is illogical and contradictory. The question of Delagoa Bay—a question of foreign policy—was primarily a commercial question. The construction of the Uganda Railway by the British Government meant aid to commerce through foreign policy. The occupation of Aden, Singapore, and Hong-Kong is a matter of defence and of foreign policy undertaken for the furtherance and protection of trade; and this matter closely concerns Australia as well as Great Britain.

The official expression on the part of Colonial statesmen of a desire for commercial co-operation is clearly relevant, for it forms the foundation of the present thesis. At all the six "Colonial" or "Imperial" Conferences which have been held since 1887, Colonial opinion has favoured preferential treatment between Great Britain and the Colonies. At the Conference of 1902 a Resolution was unanimously passed in favour of such an arrangement, and in 1907 this Resolution was re-affirmed, Great Britain dissenting by means of a reservation.* In the same way a Resolution in favour of Navigation Laws was unanimously adopted in 1902, and was re-affirmed, Great Britain dissenting, in 1907. The Conference of 1911 recommended a Royal Commission to investigate resources, production, manufacture, trade, and the effect of existing legislation upon trade. This "Dominions Royal Commission" is now (December, 1913) engaged in preparing its Report. It may be added that the Chambers of Commerce of the Empire, in their last five Congresses, held since 1900, have passed resolutions in favour of a Preferential Customs arrangement. Various other forms of commercial co-operation have been discussed and recommended both in the Imperial Conferences and in the Congresses of Chambers of Commerce.

The Conference of 1911 illustrates the impossibility of excluding commercial questions from the guidance of foreign policy. "Some difference of opinion was manifested whether foreign relations would include commerce."† If this difference of opinion occurred in a merely tentative and suggestive discussion, it is obvious that com-

* The fact that one particular form of commercial co-operation has been much discussed is not an adequate reason for giving it special prominence in a scientific enquiry. Accordingly detailed treatment of this point is reserved for the Appendix.

† *United Empire*, March, 1913.

mercial discussion cannot be permanently excluded from the discussion of foreign policy.

It may be argued that the British Executive which now directs our foreign relations and our defensive arrangements does not control or supervise commerce. This is not the case : for the British Government does much to advise, to guide, and to control commerce not only in the dependencies of the Crown, but also in the United Kingdom.*

CONCLUSION.

Thus the argument seems to indicate that the discussion of defence must involve the discussion of foreign policy, and that the discussion of foreign policy must involve the discussion of trade.

It follows, then, that the supervision of defence must include some supervision of foreign policy, and that this must involve some supervision over trade. It may be that this supervision will only lead to occasional interference with trade or occasional direction of trade. But, even with that limitation, this supervision of trade by a central authority means co-operation of the self-governing States for purposes of trade, in whatever degree and in whatever direction that supervision be exercised. Moreover, it is impossible accurately to define and limit the degree and the direction of such discussion and such supervision. Under British methods the measure of activities assumed by any official authority is usually public approval or public acquiescence. But the degree and the direction of these activities are matters of detail. The broad conclusion is that *divorce between foreign relations and trade is impracticable.*

Thus it may be here distinctly stated that the historical conclusion given at the end of Chapter VI is confirmed by the argument drawn from present tendencies. That argument indicates that *commercial co-operation is an indispensable condition of defensive co-operation.*

* *e.g.*, In State regulation of railways, in State aid to light railways and harbours in Ireland, in the recent "Development grant".

CHAPTER X.

RECENT CO-OPERATION FOR TRADE.

It has already been suggested, on page 75, that the work actually done in the way of commercial co-operation might almost seem in itself to provide an answer to the problem. But, subsequently to the announcement of this theme in March, 1913, further advance has been made in co-operation for purposes of trade between the self-governing States. Thus it might almost be suggested now that the question has in the meantime actually found its own answer, an answer which might be formulated thus:—

“ Since the announcement of this theme, the self-governing States have continued in a more definite manner their former course of gradually and unobtrusively building up an effective co-operation for purposes of trade in two ways:—(1) Reciprocity treaties; (2) Subsidies in aid of communication. Thus time and the progress of events have already answered the question.”

But the present writer does not wish to urge this view, because it is difficult to see in true perspective events which are actually in progress. Moreover, the expediency and the probable effects of these measures are much contested. Thus, these points have been kept for this supplementary chapter, added by way of illustration, since critics might urge “ These measures have not been proved effective, and they will probably be abandoned ”. Obviously, however, these measures, whether wise or unwise, whether likely to endure or not, are actually measures of co-operation for purposes of trade, and thus they demand treatment. Some former steps have been already indicated in Chapter VIII namely, Postage, Mail Subsidies, Cables, Public Debts, Trustee Stocks, Guaranteed Loans. Thus, before the present year (1913), a succession of practical measures had been effected in the way of co-operation for purposes of trade. Other measures have since been added. Last July it was announced

that Canada had agreed upon a Reciprocity Treaty with Australia.* In September it was announced that Canada was subsidising a steamship line to the British West Indies, and was co-operating with Great Britain to reduce cable rates to those islands.† Thus Canada simultaneously co-operates with Australia to facilitate trade with British lands in the Pacific, and with Great Britain to facilitate trade with British lands in the Atlantic. This is a large step towards general co-operation for trade purposes.

It is significant that Canada is concerned in all these three recent agreements; for Canada during a century and a-half has been making history for the other British States.

Thus the self-governing States have during the present year (1913) effected some partial co-operation for purposes of trade, and are attempting to make that co-operation more intimate and more effective. Hitherto this commercial co-operation has been effected

* Mr. Tudor, the Australian Minister of Trade and Customs, and Mr. Foster, the Canadian Minister of Trade and Commerce, who are in Sydney as members of the Empire Trade Commission, arrived at a general agreement to-day regarding reciprocity between the Commonwealth and the Dominion. The schedule will be discussed after Mr. Foster's visit to Tasmania. Both Ministers express their keen gratification with regard to the agreement. —*Daily Mail*, 1913.

† Ottawa, September 27, 1913.—Mr. Foster, Minister of Trade and Commerce, has announced that the Government has completed a contract with the Royal Mail Steam Packet Company for a service to the West Indies. Messrs. Pickford and Black, with whom arrangements were made last year, were unable to secure the necessary steamships and had to drop the contract. The agreement with the Royal Mail Company is for a five years' service between St. John, Halifax, and the various Colonies included in the trade agreement. Four vessels are to be included in the service and are to be modern in every respect and well-equipped, both for passengers and freight. The vessels are to be capable of carrying 5,000 tons of cargo and of maintaining an average speed of between 11 and 12 knots. The first steamer will leave Halifax on November 1 and the others will follow in regular order. An arrangement is made by means of which perishable cargo will be taken from St. John to Halifax without increasing the cost. The amount of the subsidy is not announced. Canada at present pays the entire subsidy.

It is also announced that arrangements have been concluded for the reduction of the cable rates between Canada and the British West Indies by a half. To enable this to be done the British Government is to make an annual contribution of £8,000 and Canada is to contribute a similar amount. Both arrangements as to the steamship and cable services are in accordance with the Canadian Government's trade agreement with the British West Indies.

by a series of separate agreements: the same thing is mainly true of such defensive co-operation as has been already realised.

It may be urged that the Defence Conference of 1909, in the scheme for a Pacific fleet, was calculated to effect defensive co-operation without commercial co-operation, and that there would be no reason to doubt the permanence of that defensive co-operation. The answer is that this arrangement is already being modified in the direction of individual action on the part both of Britain and of the Dominions. Moreover, communications are said to be now passing between Australia and Canada with a view to joint action in the Pacific, going far beyond the agreement of 1909. It is significant that, simultaneously with those communications, Canada and Australia are negotiating a Reciprocity Treaty.

“Physical strength is one of the first conditions of the happiness and even of the existence of nations.”

—*De Tocqueville.*

“All these Empires were beset by certain dangers which Greater Britain alone has hitherto escaped . . . and the great question is whether she can modify her defective constitution in such a way as to escape them for the future.”

—*Seeley.*

“It is in the Cabinet alone that questions of foreign policy are settled. We never consult Parliament till *after* they are settled.”

—*Palmerston.*

APPENDIX I.

ANALYSIS OF POSSIBLE METHODS OF COMMERCIAL
CO-OPERATION.

1. Commercial co-operation might merely take the form of continuing and amplifying that which is already being done in the way of aiding communications through shipping lines, postal facilities, acquisition or laying of cables, cheapening of telegraphs, and similar activities. Such work does not necessarily demand a central authority, although it could be most effectively carried on by such an authority, either acting directly or serving merely as an advisory Board for the several Governments.

2. Fortified ports having any relation to commercial lines of communication might be jointly garrisoned by the States concerned, and the inter-State seas or oceans might be guarded by those States. Thus Australia and Britain might jointly garrison Singapore, Colombo, and Aden; Canada and Britain might act together in Bermuda; Australia, New Zealand, and Canada in the Pacific. Such co-operation for defence of trade does not actually amount to co-operation for purposes of trade; but it is a step in that direction, bringing the States into close connection for purposes relating to trade.

The naval part of this joint action is being actually carried out in the Pacific in some degree. Furthermore, communications are passing between Canada and Australia with a view to some kind of joint control in the Pacific; and it is noticeable that these two Dominions are negotiating a Reciprocity Treaty at the same time.

Such joint action in defence of trade ports and trade routes may be also a step in the direction of joint administration of dependencies, which would be both an economic and a political bond between the States.

3. The States, by sharing between them the cost of the consular service, would be moving towards commercial co-operation, since

the consular service may be regarded as in great part a world-wide bureau of commercial information. If the contributions of the States towards this and possibly other objects were handed over to the central authority, this would mean the creation of an Imperial Exchequer. The diplomatic service might be similarly supplied. The maintenance of lighthouses outside territorial waters, the cost of Admiralty surveys and other such matters connected with trade might similarly be apportioned between the States. Every fresh addition of financial business to the functions of the central authority would mean not only a piece of commercial co-operation but actually a step in the direction of fiscal combination.

4. The creation of a Federal or inter-State debt might be effected either by pooling (wholly or in part) the existing debts of the States, or else by combined borrowing for the purpose of defensive co-operation. It has been pointed out that the raising of loans and payment of interest is a branch of trade. The existence of a National inter-Dominion debt, borne in common by all the States, would be a distinct form of trade. Moreover, as Alexander Hamilton foresaw in the case of the United States, such a debt would be a tangible and effective aid to political union. The pooling, whether partial or complete, of the various State debts would merely mean an extension of that method of spreading out credit over the Empire, which has already been occasionally practised. The variations in credit of the Dominions would render the initial negotiations delicate; but this difficulty is not insurmountable.*

On the other hand the raising of a new "Federal" or Imperial loan would probably be the easiest way to start a central Exchequer—the loan to be applied to defensive or other Imperial purposes: and the raising of a new loan might possibly prepare the way for a pooling of State debts. In any case, the management of the debt, the receipt of the interest from the various State Governments and its payment

* The Australian Commonwealth, by taking over the debts of the six Australian States, is perhaps making experiments and setting an example to the Empire, as in other matters. "In the Budget statement which was presented to the Federal Parliament at Melbourne yesterday it was announced that the Government proposes to introduce a Bill for taking over the State debts as they mature, but leaving the States free to borrow for themselves. The Commonwealth may, however, also borrow on their behalf."—*The Times*, October 3, 1913.

to the individual creditors would become part of the business of the central body. Moreover the existence of such a debt might conceivably render possible the receipt of a small direct tax by the central authority through the payment of a fixed Imperial income-tax on the interest, such Imperial income-tax to be deducted from any local income-tax which might be payable in the several States.* Any further fiscal arrangement would necessarily be a matter of cautious and gradual experiment. But in any case the existence of a central Exchequer, the constant publication of its financial activities, and the holding of Imperial Stock by citizens of the several States, would constitute a valuable material support to united action.

5. Navigation Laws must be mentioned as being at all events a theoretical possibility—that is to say laws designed to favour the use of national shipping in inter-State trade. The restriction of inter-State trade to national shipping is out of the question under present conditions. But some discrimination in favour of national shipping was actually recommended in the following resolution passed by the Imperial Conference of 1902:—

“That the attention of the Governments of the Colonies and of the United Kingdom should be called to the present state of the Navigation Laws in the Empire and in other countries, and to the advisability of refusing the privileges of coastwise trade (including trade between the Mother Country and its Colonies and Possessions, and between one Colony or Possession and another) to countries in which the corresponding trade is confined to ships of their own nationality; and also to the laws affecting shipping, with a view of seeing whether any other steps should be taken to promote Imperial trade in British vessels.”

This Resolution was re-affirmed, Great Britain dissenting, in the Conference of 1907.

* Such an income tax would, of course, require the consent of the several States; perhaps also it would require the holding of certain proportions of the Imperial Debt by Corporations, individuals, or public authorities in the several States. Such an arrangement would be difficult, but probably not impracticable.

6. At various Imperial Conferences the following suggestions have been made about co-operation in matters of trade:—Uniformity in the laws of copyright, of patents, of trade marks, of companies; uniformity in the law of compensation for accidents; an Imperial Postal Order system; a uniform Commercial Code; uniformity of Merchant Shipping Laws; uniformity of statistics; an All-Red cable linking all the Dominions.

The Congress of Chambers of Commerce of the Empire, sitting at Sydney in 1909, passed resolutions in favour of an Imperial Council for the promotion of inter-Imperial trade, State-aided immigration to the Colonies, uniformity of weights, measures and currency, joint conciliation and arbitration boards for wages disputes.

7. A system of Preferential Tariffs is what is usually meant by "Co-operation for purposes of trade". The pioneers of systematic colonisation and colonial autonomy—Wakefield and his school—expected permanent Free Trade within the Empire as a matter of course; and Lord Durham in 1839 actually advised that Great Britain should retain control of Canadian external trade. But it was soon seen that the right of imposing taxes in any form, whether for revenue or for protection, was an essential part of autonomy, and that this right would be nullified by exemption to British imports. In 1872 Disraeli said:—

"Self-government ought to have been accompanied by an imperial tariff, by securities . . . for the enjoyment of unappropriated lands and by a military code (defining defensive arrangements) . . . and by the institution of some representative council in the metropolis, which would have brought the colonies into constant and continuous relations with the Home Government."

Colonial and Imperial Conferences.—At the first Colonial Conference, held in London in 1887, Sir Samuel Griffith, as Delegate for Queensland, submitted the following proposition:— "That if any member of the Empire thinks fit for any reason to impose customs charges upon goods imported from abroad, it should be recognised that goods coming from British possessions should be subject to a lighter duty than those coming from foreign possessions".

Mr. Hofmeyr, speaking on behalf of Cape Colony, brought forward the proposal which is mentioned on page 26:—"To discuss the feasibility of promoting closer union between the various parts of the British Empire by means of an Imperial Tariff, the revenue derived from such tariff to be devoted to the general defence of the Empire". The proposal was made with two objects, "to promote the union of the Empire and at the same time to obtain revenue for purposes of general defence".

No formal resolution was brought forward: but the preferential arrangement suggested by these two speakers was warmly supported by the Delegates from Victoria, South Australia, Newfoundland, New Zealand, and Natal. Mr. Service, ex-Premier of Victoria, while avowing himself a Free-trader, described Mr. Hofmeyr's speech as a "noble speech", and said, "If we could have a recognition throughout the Empire that the products of the various dependencies would be treated on a different footing from the products of foreign countries, I should be inclined to regard very favourably such a proposal". Sir R. Wisdom, Delegate for New South Wales, expressed great interest in the discussion, but added:—"The delegates of New South Wales consider that the question is outside the limits of discussion as laid down in Mr. Stanhope's dispatch, and that as it seems to them to have an intimate connection with the wider subject of political federation, they are precluded by their instructions from dealing with it".

Mr. Adye Douglas, Agent-General for Tasmania, urged that agreement between the Australian Colonies as to Tariffs was a necessary preliminary to any general proposal. He added:—"I only hope that the effect of this discussion will be to induce Australasia to act as one; and then we can very well come to England, who imposes no duties upon any of our goods, and ask her to agree to such a scheme as this".

At the second Colonial Conference, held at Ottawa in 1894, the following resolution was passed, eight Delegates voting in favour of it, and three voting against:—"That this Conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies, by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries".

In 1897 the first Conference of Colonial Premiers was held in London. Two resolutions were unanimously passed: the first urged the denunciation of any treaties hampering the commercial relations between Great Britain and her Colonies; the second was worded thus: "That, in the hope of improving the trade relations between the Mother Country and the Colonies, the Premiers present undertake to confer with their colleagues with the view to seeing whether such a result can be properly secured by a preference given by the Colonies to the products of the United Kingdom".

In accordance with the first Resolution, the Imperial Government denounced the commercial treaties then existing with Belgium and with Germany.

At the Imperial Conference of 1902, the following Resolution was passed unanimously:

"That this Conference recognises that the principle of preferential trade between the United Kingdom and His Majesty's Dominions . . . would stimulate and facilitate mutual commercial intercourse, and would . . . strengthen the Empire . . .

That, with a view to promoting the increase of trade within the Empire, it is desirable that those Colonies which have not already adopted such a policy, should, as far as their circumstances permit, give substantial preferential treatment to the products and manufactures of the United Kingdom . . .

That the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies . . ."

At the Imperial Conference of 1907 it was proposed to re-affirm the resolution of 1902, with an addition extending the preferential proposals so as to include trade between the self-governing Colonies, and with another definite addition: "That it is desirable that the United Kingdom grant preferential treatment to the products and manufactures of the Colonies". The Oversea delegates were generally in favour of this proposal; but the British Ministers dissented. Finally, the Resolution of 1902 was re-affirmed, Great Britain dissenting by means of a reservation. In addition a colourless resolution was unanimously adopted: "That efforts in favour of British

manufactured goods and British shipping should be supported as far as possible”.

At the Imperial Conference of 1911, the Dominion delegates showed themselves favourable to commercial co-operation, but no other resolution was passed on the matter. However, the Conference recommended the appointment of the “Dominions Royal Commission” mentioned on page 82.

Chambers of Commerce.—The fourth Congress of Chambers of Commerce of the Empire, which met in London in 1900, passed a Resolution that “an advantageous commercial bond is one of the strongest links in national unity”.

The fifth Congress, held at Montreal in 1903, passed a unanimous Resolution:—“That in the opinion of this Congress the bonds of the British Empire shall be materially strengthened and a union of the various parts of His Majesty’s Dominions greatly consolidated by the adoption of a commercial policy based upon the principle of material benefit, whereby each component part of the Empire would receive a substantial advantage in trade as the result of its national relationship, due consideration being given to the fiscal and industrial needs of the component parts of the Empire”.

The sixth Congress, held in London in 1906, re-affirmed the Resolution of 1902, adding “There are in the United Kingdom, her colonies and dependencies natural resources and industries which, if developed, would be sufficient to provide the British Empire with its food supply and all other necessaries and requirements of life”. . . . The Congress urged preferential treatment on a reciprocal basis, “believing that thereby the bonds of union will be strengthened and the British Empire largely freed from dependence on Foreign countries for food and other supplies”; it was added “that this matter is of present practical importance”: 105 Chambers voted for the Resolution, 41 against; 21 were neutral.

At the seventh Congress, held in Sydney in 1909, the Resolution of the sixth Congress was re-affirmed on the motion of the London Chamber of Commerce: 52 chambers voted for the resolution, 7 against; 17 were neutral.

The eighth Congress, held in London in 1912, “re-affirmed its opinion in favour of preferential tariffs”: 87 chambers voted for the resolution, 9 against; 33 were neutral.

Movement towards Preference in the Dominions.—In 1897 Canada granted to British goods a preference of $12\frac{1}{2}$ per cent., which was at the same time apparently offered to any country which might grant compensatory advantages to Canada. But in 1898 this tariff was repealed, and replaced by one granting preference to countries of the British Empire only. And in 1900 the preference so granted was increased from one-fourth to one-third. Moreover, New Zealand, Australia, and South Africa* have followed the Canadian example. The present working of Preference is summarised in the following paragraph:—“In 1898 Canada granted a special rate to British products. Since 1907 she has had a complicated preferential tariff granting an average reduction of duties of about 28 per cent. to the Motherland. In 1903 New Zealand followed suit, and now Australia and the Union of South Africa have similar arrangements. In New Zealand Preference takes the form of a surtax upon non-British goods. South Africa gives a rebate to British, Canadian, and Australasian imports. Australia has a double tariff, favouring British imports. Latterly, moreover, the Imperial trade relationship has been strengthened on this hemisphere by the Canadian–West Indian agreement, the most important part of which provides for Preferential Reciprocity in Canadian flour and West-Indian sugar”.—*The Times*, 1913.

Thus within the last decade a network of Preferential arrangements has been established, which will shortly be extended by Reciprocity between Canada and Australia.

It should be added that in the Canadian General Election of 1911 the Canadian people decisively rejected a Reciprocity arrangement which had been negotiated between Canada and the United States and had been approved by both Houses of Congress at Washington.

Movement in Great Britain.—In 1902 a small “registration duty” was imposed on corn and flour imported into Great Britain. Canada protested against the application of this duty to Canadian products, and intimated that she was prepared to increase the Preference already granted to Great Britain in return for exemption from this tax, but urged that, in any case, Canadian flour and

* It seems doubtful whether South Africa will continue this arrangement. But the action of the three other Dominions is sufficiently remarkable.

corn should be freed from duty, whether by preferential exemption or by remission of the tax. The Secretary for the Colonies, Mr. Joseph Chamberlain, desired the continuance of the tax on foreign corn and flour, with exemption for Canadian corn and flour. But he failed to persuade the Cabinet; and the Budget introduced in April, 1903, repealed the tax. A month later Mr. Chamberlain, in a speech at Birmingham, urged that Great Britain should enter into a preferential customs arrangement with the Dominions. But he complicated and confused this proposal by urging that through a modification of her fiscal policy concerning foreign imports Great Britain might resume her "power of negotiation, and, if necessary, retaliation". In September, 1903, Mr. Chamberlain resigned office, on the avowed ground "that for the present, at any rate, a preferential agreement with our Colonies involving any new duty, however small, on articles of food hitherto untaxed, is unacceptable to the majority in the constituencies". Since that date the agitation for "Tariff Reform" has been vehemently pursued; but, since inter-State policy is not the sole motive of that agitation, since "Protection" and "Retaliation" are proclaimed as motives with at least equal prominence, therefore that agitation has confused the issue presented in this thesis.* Meantime, public opinion in the Dominions seems on the whole continuously favourable to a Preferential Customs arrangement. It seems therefore desirable to examine this particular form of commercial co-operation in itself, apart from the general question of protective or retaliatory tariffs.

A Preferential Tariff scheme does not necessarily imply Free Trade within the Empire, although it may be a step in that direction; it merely implies a limited Customs Union, imposing upon imports from abroad duties exceeding those imposed on imports from States belonging to the Union. The problem of framing tariffs would be extremely difficult. It could only be done by tentative and gradual steps, and the effects could only be known by experience.

* The question of retaliation is not wholly irrelevant, since Germany penalised Canadian goods owing to the preference granted to Great Britain, and it was suggested that Great Britain should in turn penalise German imports. But this incidental "retaliation" is a different matter from retaliation regularly used as a diplomatic weapon in European negotiation. Such retaliation has nothing to do with Colonial Preference.

But ostensibly the greatest difficulty in the way is the reluctance of Great Britain to modify her established system of customs for revenue only. Yet perhaps this difficulty is not so great as might appear, since those who cling closest to non-taxation of imports have completely abandoned the abstract principle on which that system is based—the principle, that is to say, of free contracts and non-control of distribution.* The principle of non-control of production, which was once regarded as a part of free-trade policy, has long been abandoned.

Thus it is very probable that gradual and almost imperceptible movements in the direction of preferential tariffs would have been received in the same way in which gradual steps towards control of distribution have been received, that is to say sometimes with initial protest, sometimes with indifference, usually with a kind of experimental acquiescence. The campaign for a reversal of our customs system naturally alarmed and alienated the public, since it is well known that large and sudden changes affecting industry and trade have the effect of revolutionary shocks, whatever the merits or demerits of such changes may be. In any case they cause immediate difficulty by upsetting arrangements based on existing conditions. For instance, the peace of 1815 was followed by a period of great economic unrest and suffering.

Thus the notion of inter-State preferential tariffs has been damaged and discredited through being adopted as part of the programme of one political party. The proposal has been blurred and adulterated by enlisting the support of those whose aim is protection or retaliation—partisans whose predilections have no necessary connection with inter-State policy. Indeed it is probable that the phrase "Tariff Reform" to-day rather suggests the policy of Protection as opposed to that of customs for revenue only. Moreover procedure by public agitation after one rebuff, in place of patiently awaiting later opportunities of small introductory experiments, has had the effect of dividing

* Under present conditions, the State has come to have, either directly or indirectly, a very large measure of control over the management of railway companies. It can dictate methods of raising capital, the charges to the public, hours of labour, even to a considerable extent rates of wages, and methods of working the traffic.—*The Times*, 1913.

the advocates of "Tariff Reform" upon the question of taxing food-imports. This division offers some hope that the confusing agitation for Tariff Reform may be dropped by political leaders as a necessary preliminary to the tentative evolution of one distinct point—commercial co-operation with the Dominions. This point should be clearly separated from the general matter of Tariff Reform.

Analogy supports the argument for the possibility of gradual tentative steps rather than large revolutionary movements. For both political parties have by turns infringed the principle of freedom of contract in doing business with Dominions and dependencies. Both have pursued the policy of development by chartered companies,* of State-aided railways, of mail and telegraph subsidies. It was the party chiefly connected with Free Trade which pledged the credit of Great Britain in aid of Canadian loans in 1868 and 1873, and in aid of a South African loan in 1909. Supposing the Government in 1873 or 1909 had proposed to guarantee payment of interest on all the debts of the Dominions, a storm would have been raised at least equal to that which has raged round the question of Preferential Tariffs. The obvious lesson is in statecraft to proceed by inches, to avoid large generalities, and rather to win one's way by particular measures appropriate to special occasions.

This particular proposal for commercial co-operation has been treated more fully, because it has been so much discussed in recent years, and is probably often regarded as being the only form of commercial co-operation. It has been made the subject of much rhetoric, much theorising, and much conjectural prophesying. For the sake of clear notions, emphasis should be laid on the following points:—

(a) A system of Preferential Tariffs is not the only possible form of commercial co-operation.

(b) A system of Preferential Tariffs implies some taxation.

(c) A system of Preferential Tariffs should be examined solely from the point of view of inter-State policy, that is to say

* The Chartered Company of North Borneo received its charter from a Gladstonian government.

solely as a method of commercial co-operation which might facilitate political union and defensive combination. All arguments concerning Protection and Retaliation should be ignored for the purpose of the present enquiry.

Merits of the Question of Preference.— Since to many minds the phrase “co-operation for purposes of trade” probably seems to denote simply Preferential Tariffs, some will doubtless interpret this theme as demanding whether Preferential arrangements are an indispensable part of defensive co-operation. But that is not a scientific interpretation of the theme. The present writer has stated his conviction that defence cannot be dissociated from foreign policy and that commercial policy, in one aspect, is a branch of foreign policy: thus defence cannot be dissociated from commercial policy. Accordingly, any authority which guides defensive policy must in some degree guide foreign policy, and by implication, commercial policy also. But any attempt to forecast the line of commercial policy which shall be followed in the future by that authority would be as vain as an attempt to forecast the future strategical arrangements or the future diplomatic engagements of a united Empire. Policy in all these three departments must be designed to meet surrounding conditions, and must be constantly adapted to meet changing conditions. Defensive or strategical policy depends on the strength and the probable amity or enmity of foreign powers. Foreign policy must be shaped to meet the foreign policy of other nations. So also with regard to commercial policy, no certain course can be traced for the future.

Two conditions, which overlap one another, seem necessary for the adoption of a preferential arrangement, first the continuous desire of the Dominions for preference; secondly, the continuance among other nations of their present protective system. It is already a matter for discussion what effect the recent reduction of United States tariffs will have on the preferences actually prevailing within the Empire; and it is evident that any adoption of a system of free imports by foreign nations would alter the whole basis underlying the colonial desire for preferential arrangements.

The present writer believes that, pre-supposing the continuance of protection among foreign nations, the Dominions,

growing in population and still more in strength and dignity, will succeed in persuading Great Britain to enter into a preferential arrangement and to impose differential duties on foreign imports. Two precedents support this opinion: New South Wales, for the sake of Australian unity and defensive strength, waived her predilection for free imports. Yet the unity so attained, by abolishing inter-State customs, was a triumph for Free Trade, even though Australia, internally a vast Free Trade area, imposes protective customs-duties. Again, at the Imperial Conference of 1911, Mr. Asquith said: "For what does Sir Joseph Ward's proposal come to? I might describe the effect of it, without going into details, in a couple of sentences. It would impair, if not altogether destroy, the *authority of the Government of the United Kingdom* in such grave matters as the conduct of foreign policy, the conclusion of treaties, the declaration and maintenance of peace, or the declaration of war and, indeed, all those relations with Foreign Powers, necessarily of the most delicate character, which are now in the hands of the Imperial Government, subject to its responsibility to the Imperial Parliament. *That authority cannot be shared*, and the co-existence side by side with the Cabinet of the United Kingdom of this proposed body—it does not matter by what name you call it for the moment—clothed with the functions and the jurisdiction which Sir Joseph Ward proposed to invest it with, would, in our judgment, *be absolutely fatal to our present system of responsible government*".

Yet it is known that in the secret sessions of that same Conference, sometimes consulting with the Committee of Defence, the approval of the Oversea Premiers was sought and obtained for the foreign policy of the Empire.* And in the following year (1912) certain Dominion Ministers, visiting London, were taken into the confidence of the British Ministry in a most intimate and effective manner. Thus, concerning foreign policy, an influence which was formally denied to the Dominions in 1911 has been in some degree tacitly conceded to them. Accordingly, it seems probable that their influence, patiently and steadily brought to bear, must similarly tell on the commercial side of

* See page 68.

foreign policy. For every distinct political entity speaks with a force which has little to do with counting heads. Canadian opinion, for more than a century, has had an influence on Imperial history altogether disproportionate to the population of Canada. The same thing is true, in recent years, of New Zealand.

But this question as to future commercial policy is hypothetical; for the future attitude of the Dominions must depend on the attitude of foreign Powers. Yet this point does not affect the conclusion already reached, that the body which guides defence must guide foreign policy and, in some degree, commercial policy also: and this constitutes co-operation for purposes of trade. In short, foreign policy, defensive policy, and certain branches of commercial policy are not three different things. They are parts of the same thing, namely the conduct of international relations. And the authority which handles international relations must handle each of these three things.

ADMINISTRATIVE PROBLEMS.

The question of commercial co-operation is part of the wider subject of joint political action. Accordingly an analysis of methods of commercial co-operation would be incomplete without indicating the possibility of such joint administrative action as may give permanence and regularity to commercial co-operation. It is not necessary to define precisely any form of administration, or to say "the thing must be done in this way". It is enough to say "the thing *can* be done in some such way as this", to indicate some practicable method, to show that the thing is possible. It has been already pointed out that an inchoate central administration seems to be already in existence in the form of the Imperial Committee of Defence and the Imperial Conference, these being institutions which may proceed either by self-development or by laying the foundations of something further.

It was said in the introduction to the theme, "Both Schools cannot be right".* This means "Both Schools cannot be ultimately and permanently right". If a complete system is to be

* *United Empire*, March, 1913.

forged all at once, if the defensive scheme of the Britannic lands is to emerge full-grown and clad in panoply, then one or other of the two alternatives must be chosen. But that is not the British method. The British Constitution was not forged on a single anvil at a given time. Our present relations with the Dominions were not laid down by any group of statesmen at any given time. These are matters of constant growth, experiment, and modification in spirit, if not in form. Thus, for purposes of immediate practical application, the school which excludes trade from the purview of the central body may be immediately right, even if mistaken as to the possibility of making this exclusion permanent and final. Sir Joseph Ward himself indicated in 1911 in what way this problem may be worked out; for he is prepared to compromise with conservative opinion by taking what he can get, limiting the functions of the central body at first. In such matters it is essentially and literally true to say "The half is greater than the whole"; for the whole is an unknown quantity, indefinable and therefore at first unattainable. The half, once achieved, indicates what the whole shall be, and gradually leads to its definition and achievement. The precise powers of the central body need not at first be defined. British experience seems to indicate that this body should at first be in the nature of a "Convention", to confer, to consult, to recommend, and so to guide policy.* The central body will be in constant communication with the Executives of all the self-governing States. In case of urgency it is possible for all the Dominion Cabinets to sit simultaneously in their respective capitals and to hold hourly communication with the central body. At the present time a telegram despatched from the Liverpool Cotton Exchange to the Chicago Exchange receives a reply within six minutes, and there is no reason why such prompt methods of business should not be adopted in public affairs.†

* Judge J. A. Jameson, in his book *The Constitutional Convention*, reckons 152 Conventions in the United States—mostly State Conventions—between 1775 and 1864.

† While the Commonwealth Bill was being considered in London in 1900, the Australian Premiers were sitting in Conference at Sydney and were consulted by telegraphic despatch.

But such urgency is exceptional. As a rule, agreement may be reached by more leisurely paths. The central delegates, after discussion and after watching the experiments which are actually in progress, may report their conclusions to the several States, to be examined by the Cabinets and, in necessary cases, to be submitted to the Legislatures.

It may be objected:—"Agreements so reached are merely treaties between States: they do not constitute real continuous trade co-operation. For each agreement requires the assent of each State: thus by withdrawing this assent, any of the States may at any time undo the agreement". There is, of course, some force in this objection; for it is easy to find flaws in any system. The object of statecraft is to find the line of least resistance, since perfection is unattainable. The objection may be refuted by pointing out that such agreements would differ from international treaties in two ways:—

1. The agreement would be a group of treaties between half-a-dozen States already joined in one political bond.

2. The threads of this web of treaties would be in the hands of a central body, holding authority from all the States. Thus the States would not be merely negotiating severally with one another. Rather they would meet for negotiation in the persons of their representatives.

The stability of this method would not be affected by the fact that a commercial arrangement so established might be modified or replaced or annulled after experiment. Any legislative or executive regulation in any State is liable to such changes: and regulations concerning the exchange of commodities especially demand perpetual watchfulness and occasional adjustment. Through the action of the central body, consulting with the several States, such modifications could be effected in the cautious manner already indicated. This constant watchfulness and guidance would, in fact, be a part of commercial co-operation through a central body.

It may be added that logical completeness and homogeneous symmetry are not essential to a working arrangement. Bavaria, Wurtemberg, and Hamburg bear different relations to the Germanic

Federation ; and there are differences in the relation of the Canadian provinces towards the Canadian Federal Government.*

It may be thought that this method of guiding commercial policy as a part of foreign policy is impracticably cumbrous. It would probably prove less cumbrous and less impracticable than the method now pursued in the United States, where foreign policy is conducted by two separate and often discordant authorities, the Executive and the Senate. In the British States, since Ministers sit in Parliament and are responsible to Parliament, the functions of Government overlap. Each Cabinet is in constant touch and necessarily in agreement with its Parliament. In turn, the central body would be in constant touch with the Cabinet of each State. In fact, as Seeley has pointed out, a British Cabinet is really the law-making power as well as the treaty-making power. This combination of functions in the Cabinets would much facilitate the working of an inter-State system for purposes of foreign policy, including trade.

EXECUTIVE FORMS.

Any attempt to define the form of the central authority would be premature and inappropriate. Attempts at definition have been made and have been dropped. For instance, the proposal of Colonial representation in the existing British Parliament has now been generally abandoned. At the Imperial Conference of 1911, Sir Joseph Ward proposed an elected Parliament of 300 members, an elected Imperial Council of Defence or Council of State or Senate, consisting of 12 members, and an Executive of 15 members. His scheme received no support in the Conference. Dr. T. J. Lawrence suggests a small central body, to include "among others the British Prime Minister and Foreign Secretary . . . with a representative of the Ministry of the day in each of the . . . Dominions". Mr. Sidney Low lately discussed the possibility of a "Federal Congress":† but rather suggested the probable development of existing arrangements, notably the Imperial Committee of Defence and the Imperial Conference. This point has been treated on pages 67-69. Mr. Borden,

* Toronto, October 24, 1913.—The Inter-Provincial Conference begins at Ottawa on Monday. . . . Alberta will suggest that all three prairie provinces should have control of land, timber, minerals, and other natural resources, so as to be on an equal footing with the older provinces. —*The Times*.

† *King's College Lectures on Colonial Problems, 1913.*

in a recent speech, takes the same line, and dwells upon the need of cautious and gradual development:—"Mr. Borden emphasized the importance of the Imperial Defence Committee, and explained at length its powers and responsibilities. He insisted that it was the conclusion of those who had most closely studied the subject that for the present the necessary consultation and co-operation between the Governments of the Dominions and the Government of the Mother Country in respect of Imperial defence and foreign policy could most effectively and securely be had through the medium of this Committee. He added:—Already Ministers from various Dominions have been summoned to its meetings. Five Canadian Ministers were present at one meeting in 1912, and two Canadian Ministers were summoned during the present year. No one would pretend that the presence of a Canadian Minister in London to attend the meetings of this Committee and to consult with the British Prime Minister and the Foreign Secretary upon matters of foreign policy would embody a final solution of the great problem that confronts us. But the genius of our race is to proceed in such matters slowly and cautiously, and to depend for results rather upon experiment and experience than upon logic. As I took occasion to say last year in England, Canada will not be merely an adjunct even of the British Empire; but we have no desire to force the pace unduly: we know we must creep before we walk".—*The Times*, 1913.

EVOLUTION OF FEDERAL ARRANGEMENTS.

In fact, we are watching a process of evolution which may be said to have begun with the Confederation of the New England Colonies in 1643; and which, after various proposals and tentative efforts, reached its first definite stage with the formation of the United States Government in 1788. Then came in succession the three British movements of union, namely: The formation of the Dominion of Canada, the Commonwealth of Australia, and the Union of South Africa. Everything points to a continuation of this process of evolution, whereby a closer union may be effected between the States thus severally consolidated in themselves. In every one of those four unions there was an intermediate stage of experimental and incomplete combination; and in each case the way to closer union was found by means of consultation in Conferences and Conventions. Thus the probable future path seems to be indicated by experience.

APPENDIX II.

BIBLIOGRAPHY.

The following books provide an introduction to the main topic :—

- | | | |
|---|-------|----------------------|
| <i>History of Federal Government</i> | | By T. H. Freeman |
| <i>The British Constitution</i> | | By W. Bagehot |
| <i>English Colonisation and Empire</i> | | By A. Caldecott |
| <i>The Expansion of the British Empire</i> | .. | By W. H. Woodward |
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| <i>The Expansion of England</i> | | } By Sir J. Seeley |
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